IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS

FILED: AUG 19, 2008

08CV4709

JUDGE MORAN

MAGISTRATE JUDGE DENLOW

RCC

Plaintiff.

CIVIL ACTION

v.

SKF USA INC.

NO. __-CV-___

DALE H. BJERKNESS, KEVIN KOCH, JOSEPH J. SEVER, and WALTER REMICK, JR.

:

Defendants.

VERIFIED COMPLAINT

This is an action for preliminary and permanent injunctive and monetary relief to restrain and otherwise redress Defendants' ongoing violations of their non-competition, non-disclosure, and non-solicitation agreements with Plaintiff SKF USA Inc. ("SKF") in the area of its business known as Reliability Systems business ("SKF Reliability Systems"). All four Defendants resigned their employment with SKF to work for Equipment Reliability Services, Inc., a company owned and operated by Defendant Dale H. Bjerkness ("Bjerkness") that directly competes with SKF. SKF has learned that Bjerkness, in violation of his agreements with SKF, solicited and induced Defendants Kevin Koch ("Koch"), Joseph J. Sever ("Sever") and Walter Remick, Jr. ("Remick") to leave their employment with SKF to work for Bjerkness in the same line of business that competes with SKF Reliability Systems. In addition, SKF has learned that Defendants have solicited SKF Reliability Systems' customers; interfered with SKF contracts; and have copied and maintained SKF Reliability Systems' confidential information and trade

secrets that they have used or inevitably will use, all in direct violation of their agreements and other common law and statutory obligations.

SKF brings this action seeking (1) preliminary and permanent injunctions prohibiting Defendants from calling on and soliciting business from SKF's customers, potential customers, and employees, and from disclosing or using SKF's trade secrets and confidential information; (2) an order mandating the return of all of SKF's confidential and proprietary information; and (3) money damages to compensate SKF for the harm it has suffered as a result of Defendants' violations of their legal duties.

I. The Parties

- 1. SKF is a Delaware corporation with its principal place of business at 1111 Adams Avenue, Norristown, Pennsylvania 19403. SKF is engaged in, among other things, the business of manufacturing and selling ball and roller bearings, bearing housings, seals, and other related products and in performing equipment monitoring services for customers. SKF Reliability Systems, with its main office in Elk Grove Village, Illinois, operates in the SKF business areas that provide performance equipment monitoring services for customers.
- Bjerkness is an individual residing at 11342 Sorenson Lake Lane,
 Merrifield, Minnesota, and is a former Director for SKF Reliability Systems.
- 3. Koch is an individual residing at 713 Bourgin Road, Virginia, Minnesota and is a former Reliability Engineer Manager for SKF in its Reliability Systems business.
- 4. Sever is an individual residing at 11751 West River Hills Drive,
 Apartment 215, Burnsville, Minnesota and is a former Reliability Engineer for SKF in its
 Reliability Systems business.

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Remick is an individual residing at 1200 Augusta Drive NE, Bemidji, 5. Minnesota and is a former Reliability Engineer for SKF in its Reliability Systems business.

Document 1

Jurisdiction and Venue II.

- This Court has diversity jurisdiction over this action under 28 U.S.C. § 6. 1332 because the defendants are citizens of a different state than is SKF and the matter in controversy exceeds \$75,000, excluding interest and costs.
- Venue in this District is proper under 28 U.S.C. § 1391(a) because this 7. action arises in part on the following:
- Defendants Bjerkness and Koch performed a portion of their job a. duties within the state of Illinois and with individuals working for SKF in Elk Grove Village, Illinois, where SKF Reliability Systems has its main offices.
- b. Defendants Bierkness' and Koch's employment agreements that are the subject of this action provide that any disputes under the agreements shall be heard in Illinois.
- Although they did not perform their job duties in Illinois, c. Defendants Remick's and Sever's employment agreements that are the subject of this action provide that any disputes under the agreements shall be heard in Illinois.

Background III.

SKF's Business in the Equipment Prevention Arena A.

- 8. In January 2007, SKF purchased 100% of the stock of Preventive Maintenance Company, Inc. ("PMCI"). Defendants worked for PMCI at the time of the stock purchase and thereafter were employed by SKF.
 - 9. SKF paid approximately \$22 million for PMCI's stock.

- As conditions for their employment with PMCI, Defendants each executed 10. agreements with PMCI, as described in detail below. The agreement of each Defendant stated that his obligations "shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns." See Exhibits A, B, C, and D, ¶ 8.
- SKF Reliability Systems, as did its predecessor, PMCI, offers unique and 11. highly effective methods for its customers to manage and improve the functioning of their equipment and machinery by providing equipment monitoring and problem detection services to avoid unexpected equipment shutdowns and to provide for scheduled maintenance.
- To achieve its status and competitive position in the industry, SKF (with 12. its predecessor PMCI) has created a strong reputation and is recognized in the U.S. market as a company that supplies high quality, innovative products and services.
- In addition to providing high quality, innovative products and services, 13. SKF Reliability Systems' success is dependent upon the relationships it fosters and substantial goodwill with its long-term customers.
- SKF Reliability Systems typically provides services to its customers 14. pursuant to purchase orders for service, many of which are annual or multiple (three to five) year commitments and some of which renew automatically.
- Approximately 90% of SKF Reliability Systems customers renew their 15. agreements with SKF as they come up for renewal and, of those customers who do not renew their SKF agreements, most have plant shut downs or other facility-related issues that cause them to no longer need reliability system services.

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- 16. In 2007, only one customer (out of \$9 million of business) in the Midwest territory did not renew its SKF Reliability Systems agreement.
- 17. For approximately two-thirds of its customers, SKF Reliability Systems places a full time SKF employee on the customer's site to provide continuous oversight, management, analysis, and customer service.
- 18. The average annual purchase order for SKF Reliability Systems services is approximately \$175,000 to \$200,000, with some purchase orders in excess of \$1 million per year.
- 19. SKF's customer relationships and goodwill are of paramount importance to SKF in that many of its customers have been customers for many years and are near permanent.

B. Defendants' Employment with SKF

- (1) Bjerkness' Employment
- 20. On or about March 12, 2001, Bjerkness began working for PMCI as a Sales Engineer for the Minnesota Region, with responsibility for technical assistance and account management. He later was promoted to Regional Manager and also served as Vice President.

 The last position he held with SKF Reliability Systems before resigning was Director, SKF Reliability Systems.
- 21. As Director, SKF Reliability Systems, Bjerkness held a leadership role and was responsible for developing and growing the sales, resources, and customer relationships in the Midwest territory, which included Minnesota, most of Wisconsin, Iowa, North Dakota, and South Dakota.

- Bierkness also had responsibility for SKF Reliability Systems' Stevens 22. Point, Wisconsin location, customer scheduling, reporting and technical support center for all of Bjerkness' geographic territory and for most of SKF Reliability Systems at large. In this capacity, Bjerkness oversaw all of SKF Reliability Systems' customer relationships, concerns, problems, and scheduling.
- Bjerkness' primary responsibilities with SKF were to manage and develop 23. regional key accounts, manage account profitability, and manage and sell SKF Reliability Systems products and services. In addition to establishing new business, Bjerkness also was responsible for maintaining current business, managing all SKF Reliability Systems employees in his territory, contributing to the development of SKF Reliability Systems strategic plan, and developing regional budgets.
- To perform his job, Bjerkness regularly traveled to SKF's office in Elk 24. Grove Village, Illinois and communicated regularly with PMCI, and later SKF, personnel there.
- As recently as April 2008, Bjerkness attended meetings with other SKF 25. leaders where confidential business strategies, hiring strategies, sales strategies, specific needs of prospective customers, and current and future business were discussed. In February 2008, Bjerkness attended a week-long SKF Reliability Champions Meeting in Malaga, Spain, at which 250 SKF Reliability high-level employees from around the world came together to discuss new products and global strategies and plans. All participants at the meeting, including Bjerkness, were given CDs of the meeting presentations.
- 26. While employed by SKF, Bjerkness was responsible for approximately 30 to 40 existing customer relationships and for more than \$5 million in revenue.

- Many of the customers for whom Bjerkness had responsibility are on 27. multi-year service purchase orders with SKF. Some of these are scheduled to renew automatically, unless cancelled or changed.
 - Koch's, Sever's, and Remick's Employment and Resignations (2).
- Koch began his employment with PMCI on June 10, 1998. He became an 28. employee of SKF when SKF purchased the stock of PMCI. Koch's last position before resigning from SKF was Reliability Engineer Manager.
- As a Reliability Engineer Manager, Koch's responsibilities included 29. overseeing mechanical services for customers, supervising engineers who worked at customer sites, visiting customer sites, learning about customers' safety requirements, equipments needs, and guidelines, ensuring efficient operation of customer accounts (including setting up new accounts), preparing reports and reviews of customer accounts for management and the sales teams, and identifying opportunities to expand SKF business.
- As part of his job duties, Koch traveled to SKF's Illinois offices at least 30. several times per year. Koch also communicated regularly with PMCI and, later SKF, personnel in Illinois.
- On June 16, 2008, Koch notified SKF that he was resigning effective June 31. 27, 2008.
- Remick began his employment with PMCI on January 16, 2006. He 32. became an employee of SKF when SKF purchased the stock of PMCI. Remick's last position before resigning was Reliability Engineer.
- On June 24, 2008, Remick notified SKF that he was resigning effective 33. July 7, 2008.

- 34. Sever began his employment with PMCI on April 7, 2003. He became an employee of SKF when SKF purchased the stock of PMCI. Sever's last position before resigning was Reliability Engineer.
- 35. As Reliability Engineers, Remick and Sever worked at customer sites and were responsible for learning customer expectations, equipment needs, equipment reliability, and safety requirements. They also provided customer technical support and monitored customer applications and needs.
- 36. On July 1, 2008, Sever notified SKF that he was resigning from SKF effective July 15, 2008.
 - C. Defendants' Confidentiality, Non-Solicitation, and Non-Competition Agreements
- 37. On March 12, 2001, as a condition for employment by PMCI, Bjerkness executed the Agreement attached hereto as Exhibit A.
- 38. On June 10, 1998, as a condition for employment by PMCI, Koch executed an Agreement virtually identical to Bjerkness' Agreement. Koch's Agreement is attached hereto as Exhibit B.
- 39. On April 7, 2003, as a condition for employment by PMCI, Sever executed an Agreement virtually identical to Bjerkness' Agreement. Sever's Agreement is attached hereto as Exhibit C.
- 40. On January 16, 2006, as a condition for employment by PMCI, Remick executed an Agreement virtually identical to Bjerkness' Agreement. Remick's Agreement is attached hereto as Exhibit D.
- 41. Each of Defendant's Agreements prohibits Defendants from using or disclosing, among other things, PMCI's confidential information, including PMCI's methods of

doing business, valuation methods, business ideas, pricing and commission data, and client names, lists, needs and requirements, at any time.

42. As to PMIC's property, each Defendant agreed that:

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, prospective client lists, client reports, and work papers, shall at all times remain the sole property of PMCI. Employee acknowledges that the information contained in the tangible property is a valuable asset of PMCI's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby convents not to use or permit any of the same to be used for any other purpose . . . Upon the demand of PMCI, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to PMCI. Employee convents that he/she will not provide PMCI's tangible property to any competitor of PMCI nor use PMCI's tangible property or the information contained therein in furtherance of the business of any competitor of PMCI. (Exhibits A, B, C and D, ¶ 1).

43. As to PMCI's Confidential and Proprietary Information, each Defendant

agreed that

All information imparted to Employee by PMCI, or a. otherwise obtained by Employee, at any time, relating to PMCI's methods of doing business; valuation methods, computer programs, business ideas; billing procedures; pricing and commission data; client names and lists; clients needs and requirements; client servicing methods; prospective client lists; and any other client data, is revealed and entrusted to Employee in confidence, solely in connection with and for the purpose of employment on behalf of PMCI. Employee shall not, at any time, either during or after employment with PMCI, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. Without limiting the generality of foregoing, upon termination of employment, under any circumstances, Employee shall promptly tender to PMCI all lists, records, work papers, reports and other documents in Employee's possession or

control relating to any clients, prospective clients or the business of PMCI.

- b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an Employee of PMCI, regarding any proprietary information belonging to any of PMCI's clients, including but not limited to any client's methods or processes of production, pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. (Exhibits A, B, C and D, ¶ 2).
- 44. Each Defendant also agreed that, for two years after the termination of his employment, he would not

under any circumstances, as proprietor, partner, joint venture, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by PMCI to any client for which PMCI or its Employee has rendered services of the sort provided by PMCI or about whom Employee has learned confidential information during the twelve (12) months preceding Employee's separation from PMCI; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts. (Exhibits A, B, C and D, ¶ 3).

- 45. Each Defendant further agreed that after termination of his employment with PMCI, he would not solicit or induce PMCI employees to leave PMCI for a competitor. (Exhibits A, B, C and D, ¶ 3).
- 46. Specifically, each Defendant agreed that "due to the confidential nature of the proprietary information and considerable amount of money, time and effort expended to develop such proprietary information" and "due to PMCI's considerable investment in training employees and allowing them access to confidential and proprietary information," for a period of two years following termination of their employment, he would not "directly or indirectly, solicit

or induce any employee of PMCI to leave PMCI's employ for any employment in a line of business similar to that conducted by PMCI in locations where PMCI services clients, or locations where PMCI has solicited clients" within one year preceding each Defendant's termination of employment. (Exhibits A, B, C and D, ¶ 3).

- 47. Each Defendant also agreed "not to solicit, sell or render services of the sort provided by PMCI to any individual or entity that has a business location in the locations serviced or solicited by PMCI within the twelve (12) months preceding Employee's termination nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation" to do so. (Exhibits A, B, C and D, ¶ 3).
- 48. Each Defendant agreed that the PMCI Agreement would be "governed in all respects by the substantive laws of the State of Illinois without reference to the choice of law provisions of Illinois or any other state." Defendants also agreed that "any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose." (Exhibits A, B, C and D, ¶ 10).

D. Defendants' SKF Secrecy Agreements

- 49. In early January 2007, at the time that SKF purchased the stock of PMCI, Bjerkness and Koch executed SKF's "Employee Invention, Patent and Secrecy Agreement" ("Secrecy Agreement"). Sever and Remick executed identical Agreements in March 2008.

 Copies of each Defendant's Secrecy Agreements are attached hereto as Exhibits E, F, G and H.
- 50. In the Secrecy Agreements, Defendants acknowledged, among other things, "the vital importance of maintaining the secrecy of SKF's trade secrets and confidential business matters." Defendants each agreed in Paragraph 3:

that he will not in any way during his employment and at any time thereafter, without SKF's written approval, disclose or publish to any unauthorized person, firm or corporation any technical or proprietary information, trade secrets and confidential business matters, including but not limited to secret processes, formulae, sequences, equipment, research items and results, drawing, prints, customers lists, costs, technical sales and marketing programs.

E. Defendants' Access to Confidential Information

- 51. SKF has developed a substantial amount of confidential and proprietary information ("Confidential Information"), including but not limited to methods of its doing business, valuation methods, computer programs, business ideas, billing procedures, pricing and commission data, client names and lists, clients needs and requirements, client servicing methods, prospective clients lists, and client data.
- 52. SKF's products, services and business operations incorporate and are based on the Confidential Information.
- 53. SKF has expended a great deal of time, effort and money to develop and acquire the Confidential Information. It uses the Confidential Information to develop its products and services, to retain and service customers, to secure new customers, to train and test its employees, and to establish a competitive edge in its business. Thus, the Confidential Information is of substantial value to SKF in its business.
- 54. When SKF purchased PMCI, it purchased the Confidential Information that was developed by PMCI.
- 55. The Confidential Information is not available to the general public or to SKF's competitors through legitimate means.
- 56. It would be difficult for competitors to know SKF's customers and the locations of the customers for whom SKF provides services but for inside knowledge of SKF.

- 57. SKF takes reasonable steps to protect the secrecy of its Confidential Information, including requiring employees in sensitive positions to sign a Secrecy Agreement similar to the agreements signed by Defendants.
- 58. In performing his jobs responsibilities with SKF, Bjerkness participated in the development of and used SKF Confidential Information.
- 59. During their employment at SKF Reliability Systems, each Defendant was introduced to customers and potential customers of SKF and PMCI in the Midwest region.
- 60. While employed by SKF and PMCI, each Defendant developed knowledge of SKF's business, personnel, products, services, employee certification and testing procedures, know-how, and customers.
- 61. Using SKF's Confidential Information and its financial, managerial and information resources, Bjerkness participated in marketing, selling, and serving SKF's customers and prospective customers in the Midwest region.
- 62. Using SKF's Confidential Information, Sever, Remick, and Koch participated in serving SKF's customers and prospective customers in the Midwest region and in training and testing SKF employees to perform their jobs.

E. Bjerkness' Resignation and Competitive Activities

- 63. On May 12, 2008, Bierkness resigned from SKF effective May 23, 2008.
- 64. At least a few days before he resigned from SKF, Bjerkness established his own company, Equipment Reliability Services, Inc.
- 65. Equipment Reliability Services, Inc. competes directly with SKF and is in the same line of business engaged in by PMCI before it was purchased by SKF.

- On or about May 20, 2008, while still employed by SKF, Bjerkness 66. registered Equipment Reliability Services, Inc. with the Minnesota Secretary of State under §302a of the Minnesota Business Corporation Act. Equipment Reliability Services, Inc.'s registered office address is listed as Bjerkness' last known home address, 11342 Sorenson Lake lanes, Merrifield, Minnesota 56465.
- After announcing his resignation from SKF, Bjerkness told his supervisor. 67. Bart Bartholomew, and others that he was going to spend the Summer fishing.
- Following Bjerkness' resignation and possibly before, he actively has 68. sought SKF employees to work with his company.
- SKF likely will have evidentiary support after a reasonable opportunity for 69. further investigation or discovery that Bjerkness, in violation of his PMCI Agreement, induced Koch, Remick, and Sever to terminate their employment with SKF and to work for Bjerkness in a business that competes with SKF's Reliability Service business and that is similar to that conducted by PMCI and in locations where PMCI and SKF serviced clients, or locations where PMCI and SKF solicited clients.
- SKF invests significant resources, including time and money in training its 70. employees. For example, SKF puts its Reliability Engineers through an intensive six-month training, which includes mentoring by managers and extensive SKF methodology and safety training. Reliability Engineers do not begin to service clients independently until they have been with the company for at least 18 months and are fully conversant with SKF Reliability Systems methodology.

- 71. SKF likely will have evidentiary support after a reasonable opportunity for further investigation or discovery that the job functions that Koch, Remick and Sever perform for Equipment Reliability Services, Inc. are nearly identical to those they performed for SKF.
- 72. In the past few weeks, Bjerkness has continued to contact current employees of SKF.
- 73. SKF Reliability Systems has learned that Bjerkness has solicited business from current and long-standing SKF customers, including Wausau Paper; Case Corporation; Liberty Paper; White Earth; and Cleveland Cliffs.
- 74. SKF has been informed by two long-term customers, Liberty Paper and Kraft, that each is placing its contract on hold while, upon information and belief, it considers contracting with Bjerkness and Equipment Reliability Services, Inc.
- 75. SKF Reliability Systems also has learned that a long-term SKF customer, Ainsworth Lumber Company, has canceled its contract (valued at approximately \$85,000) with SKF and has given its business to Bjerkness and Equipment Reliability Services, Inc.
- 76. Remick spent several years on-site at Ainsworth while employed by PMCI and SKF.
- 77. Bjerkness became known to the customers referenced in paragraphs 72 through 76 through his employment with PMCI and SKF.
- 78. Defendants are engaged in the marketing and sales of competitive products and services in the same geographic territory for which they were responsible at SKF Reliability Systems.

In their new business, Defendants have used or inevitably will use SKF's 79. customer information, reporting criteria, database setup, pricing information, and SKF strategies and business plans.

SKF's Communications with Defendants about their Contractual and Other Violations

- On July 1 and July 2, 2008, SKF Reliability Services, through its counsel, 80. wrote to Bjerkness and Koch reminding them of their obligations under their Agreements with SKF. Copies of those letters are attached hereto as Exhibits I and J.
- Bjerkness and Koch, through counsel, responded by letter on July 10, 81. 2008. A copy of that letter is attached hereto as Exhibit K. Neither Bjerkness nor Koch denied that they were engaged in competitive activity.
- On July 17, 2008 and July 23, 2008, SKF, through its counsel, sent letters 82. to Remick and Sever reminding them of their obligations under their Agreements with SKF. Copies of those letters are attached hereto as Exhibits L and M.
- Remick and Sever, through counsel, responded by letters on July 23 and 83. July 30, 2008. Copies of those letters are attached hereto as Exhibits N and O. Neither Remick nor Sever deny that they are engaged in competitive activity.
- SKF likely will have evidentiary support after a reasonable opportunity for 84. further investigation or discovery that Bjerkness and Koch still possesses SKF property, including the CD of the Reliability Champions Meeting presentations, an index card file, business cards relating to SKF customers, outstanding customer proposals, customer drawings, customer files and two vibration poles (serial numbers 511 and 542).
- SKF likely will have evidentiary support after a reasonable opportunity for 85. further investigation or discovery that Koch possesses CD's, jump drives and external computer

drives, to which it is believed that SKF's confidential and proprietary information and property was transferred for use in the new business.

On July 16, 2008, SKF, through its counsel, wrote to Bjerkness' counsel 86. requesting that Bjerkness immediately return SKF's property. Bjerkness' counsel responded on July 24, 2008, denying that Bjerkness retained any customer proposals, customer drawing, customer files or vibration poles, but acknowledging that Bjerkness possessed business cards and an index card file. In the letter, Bjerkness' counsel denied that these items are SKF property, and refused to return them to SKF, but instead states that the items are being held by his counsel. Copies of both letters are attached hereto as Exhibits P and Q.

G. The Need for an Injunction

- Defendants have violated, and continue to violate, the terms of their 87. agreements by soliciting and calling on SKF current employees, customers and potential customers, and by retaining and using SKF's confidential information for their own and Equipment Reliability Services' benefit.
- In their agreements, Defendants acknowledged that in the event of a 88. breach, SKF could not adequately be compensated for any such breach by money damages and that any such breach would cause irreparable harm.
- Unless they are enjoined by this Court, Defendants will continue to violate 89. the agreements.
- SKF invested substantial resources in purchasing PMCI. The value of that 90. investment has been jeopardized because of Defendants' actions.

- 91. SKF invested substantial resources in the development of its confidential information. The value of that investment has been compromised because of Defendants' actions.
- 92. An injunction is necessary to prevent immediate and irreparable harm to SKF that cannot be fully compensated by damages. Defendants will suffer less harm if an injunction is granted than SKF will suffer if an injunction is not granted. The injunction sought will restore the parties to the status quo as it existed immediately before Defendants' wrongful and actionable conduct. Further, the injunction sought is reasonably suited to abate Defendants' wrongful and actionable conduct and to protect SKF's clear legal rights.

COUNT I BREACH OF CONTRACT BY ALL DEFENDANTS

- 93. SKF incorporates the preceding paragraphs of this Verified Complaint as if fully set forth herein.
- 94. Defendants' agreements, including the non-compete, non-solicitation of customers and employees and confidentiality provisions therein, are valid and enforceable contracts.
- 95. The restrictive covenants in Defendants' agreements are necessary to protect SKF's legitimate protectable business interests, and are reasonable in scope and duration.
- 96. SKF has performed all of its obligations to Defendants under the agreements.
- 97. Bjerkness, in violation of his agreements, solicited and induced Defendants Koch, Sever, and Remick to leave their employment with SKF to work for Bjerkness in a line of business similar to, and that competes with, SKF.

- 98. Defendants have breached their agreements by seeking and obtaining employment with Equipment Reliability Services, a competitor of SKF.
- 99. Defendants' activities on behalf of Equipment Reliability Services will require Defendants to use, base judgments upon, and disclose SKF's trade secrets and confidential information.
- 100. Defendants have retained and, it is believed, are using SKF's confidential information in violation of Defendants' agreements.
- 101. Defendants' activities on behalf of Equipment Reliability Services jeopardize substantial and valuable goodwill that SKF has developed with its customers as well as provide Equipment Reliability Services with an unfair competitive advantage.
- 102. As a direct and proximate result of Defendants' breaches of the agreements, SKF has suffered damages, including harm to its customer relationships and other business interests that are not fully compensable by monetary damages.
- 103. Unless Defendants are enjoined by this Court, SKF will continue to suffer irreparable harm to its business interests, for which it has no adequate remedy at law, as a result of Defendants breaches of the Agreements.

COUNT II TORTIOUS INTERFERENCE WITH CONTRACT BY BJERKNESS

- 104. SKF incorporates the preceding paragraphs of this Verified Complaint as if fully set forth herein.
- 105. The agreements held between SKF and Sever, Koch, Remick, and Bjerkness are valid and enforceable contracts.

- 106. The non-solicitation of employees provision in those agreements is reasonably necessary to protect SKF's legitimate protectable business interests, and is reasonable in scope and duration.
- Bierkness has hired three employees from SKF in the last 45 days, all of 107. whom are subject to post-employment restrictive covenants, including non-compete provisions.
- 108. Bjerkness knew about those agreements, including the restrictive covenants and non-compete provisions.
- Bjerkness has intentionally and tortiously interfered with SKF's rights 109. under the Agreements by inducing, aiding and abetting, and causing Sever, Koch, and Remick to breach their agreements with SKF.
- Bierkness continues to attempt to interfere with the employment of other 110. SKF employees.
- SKF likely will have evidentiary support after a reasonable opportunity for 111. further investigation or discovery that Bjerkness knew that other Defendants transferred SKF's confidential information to CDs, jump drives and external hard drives for use by Bjerkness' new company.
- 112. Defendants' activities on behalf of Equipment Reliability Services jeopardize substantial and valuable goodwill that SKF has developed with its customers as well as provide Equipment Reliability Services with an unfair competitive advantage.
- 113. SKF has been harmed and likely will suffer further harm because of Bjerkness' interferences and conduct.

- SKF has been and will continue to be injured, irreparably and otherwise in 114. amounts that will be difficult to determine or calculate. The monetary value of the damages by SKF as a result of Bjerkness' actions will be impossible to determine with any certainty.
- Unless an injunction is issued requiring Bjerkness to refrain from tortious 115. interference SKF contractual relations, SKF will suffer irreparable and incalculable harm in the loss of confidential information.

COUNT III VIOLATION OF ILLINOIS UNIFORM TRADE SECRETS ACT BY ALL **DEFENDANTS**

- SKF incorporates the preceding paragraphs of this Verified Complaint as 116. if fully set forth herein.
- As set forth above, Defendants were given access to and are in the 117. possession of certain confidential and proprietary information constituting "trade secrets" as defined by the Illinois Trade Secrets Act, 765 ILCS 1065/1 et seq., such as SKF Reliability Services' methods of doing business; valuation methods, computer programs, business ideas; billing procedures; pricing and commission data; client names and lists; clients needs and requirements; client servicing methods; prospective clients lists; employee training and testing documents; and confidential client data.
 - SKF has taken steps to protect the confidentiality of this information. 118.
- This information is sufficiently secret to derive economic value from not 119. being generally known to other persons or entities who can obtain economic value from its disclosure or use.
- This information is the subject of efforts that are reasonable under the 120. circumstances to maintain its secrecy or confidentiality.

- It is inevitable that Defendants will use or rely on the information that they 121. obtained while working for SKF in connection with their positions with Equipment Reliability Services and SKF likely will have evidentiary support after a reasonable opportunity for further investigation or discovery that Defendants have used, disclosed, or threatened to use or disclose SKF Reliability Services' confidential, proprietary, and trade secret information.
- Defendant' unauthorized use or disclosure of SKF trade secret 122. information, actual or threatened, violates the Illinois Uniform Trade Secrets Act, 765 ILCS 1065/1, et seq.
- Defendants' inevitable use of SKF's trade secrets gives Defendants, and 123. Equipment Reliability Services, an unfair competitive advantage over SKF.
- As a result of the foregoing, SKF has suffered and will continue to suffer 124. irreparable harm.
- SKF has been damages and will continue to be damaged by the 125. misappropriation and use of its trade secrets by Defendants.

WHEREFORE, SKF requests that the Court grant the following relief:

- Preliminarily and permanently enjoin Defendants, until two year a. from the date that they begin to comply with the Agreements, from directly or indirectly performing services for, calling on, soliciting or catering to any individuals or entities who were customers or potential customers of SKF Reliability Services within one year preceding Defendants' resignation.
- Preliminarily and permanently enjoin Defendants, until two year b. from the date that they begin to comply with the Agreements, from directly or indirectly, soliciting or inducing any employee of SKF to leave SKF's employ for any employment in a line

of business similar to that conducted by SKF in locations where SFK services clients, or locations where SFK has solicited clients within one year preceding Defendants' termination of employment.

- Preliminarily and permanently enjoin Defendants from possessing, c. using or disclosing any of SKF's trade secrets or confidential or proprietary business information for any purpose whatsoever.
- Order Defendants to return all documents, and return or destroy all d. electronic media, that contain, reflect or constitute SKF's trade secrets and confidential information.
- Enter judgment in favor of SKF and against Defendants on all e. counts of this Verified Complaint.
- f. Award SKF damages, including punitive or exemplary damages where available, on each count of this Verified Complaint in an amount to be established at trial.
 - Award SKF its reasonable attorneys' fees and costs. g.
- Award SKF such other relief as the Court may deem just and h. proper.

Dated: August 19, 2008

s/ Ernesto R. Palomo

Terrence P. Canade (# 06196823) Ernesto R. Palomo (# 06278186) Locke Lord Bissell & Liddell LLP 111 South Wacker Chicago, IL 60606 (312) 443-1862

and

Stephen J. Sundheim Elizabeth S. Campbell PEPPER HAMILTON LLP 3000 Two Logan Square Eighteenth & Arch Streets Philadelphia, PA 19103-2799 (215) 981-4000

Attorneys for Plaintiff SKF USA Inc.

VERIFICATION

Pursuant to 28 U.S.C. §1746, I, Bart G. Bartholomew, Vice President Reliability Systems North America, for SKF USA Inc., declare under penalty of perjury that the allegations in the foregoing complaint are true and correct.

Dated: August 18, 2008

BART G. BARTHOLOMEW

08CV4709

> MAGISTRATE JUDGE DENLOW RCC

EXHIBIT A





Corporate

2500 Estes Avenue Elk Grove Village, IL 60007 Northern Region 5224 Heffron Court Stevens Point, WI 54481



Ph: 800-222-PMCI Fax: 847-956-8761 Ph: 888-444-PMCI Fax: 715-342-9053

AGREEMENT

THIS AGREEMENT is entered into at Elk Grove Village, Illinois this 12 day of march, 2001, by and between PREVENTIVE MAINTENANCE COMPANY, INC. (hereinafter referred to as "PMCI") and Dale H. Bie Knows II (hereinafter referred to as "Employee").

RECITALS:

WHEREAS, Employee is assuming a position of employment with PMCI as a Sales Concinect, which will expose Employee to PMCI's tangible and intangible property, including confidential information, and other proprietary business information and which will expose Employee to proprietary information belonging to PMCI's clients which Employee will be entrusted to maintain as highly confidential; and

WHEREAS, PMCI and Employee hereby acknowledge that the industry in which PMCI competes is extremely competitive, and that PMCI expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, PMCI and Employee understand Employee will learn a great deal of information through his/her employment with PMCI, vet PMCI seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of employment with PMCI would jeopardize Employee's relationship with existing and newly acquired clients and client prospects; and

WHEREAS, Employee through his/her employment will be exposed to PMCI accounts, client lists, contract terms, prospective client lists and other proprietary information regarding its clients' accounts, and its operations; and

Employee recognizes the importance of his/her WHEREAS, abiding by this Agreement to PMCI's ability to protect its proprietary business information and the proprietary information

Predictive Machinery Vibration Programs

Vibration Analysis

Dynamic Balancing

Infrared Inspections

Predictive Technology Services

Machine Tool & Spindle Analysis

Laser Analysis

Emergency Services

Page 2 of 8

of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, Employee recognizes PMCI's restrictions on his/her future activity for a stated time are necessary to protect PMCI's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, if Employee were to act in violation of this Agreement, PMCI could not be adequately compensated for any such breach by money damages and any such breach of this Agreement will cause irreparable injury to PMCI; and

WHEREAS, Employee and PMCI acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves PMCI's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that PMCI will employ, or continue to employ Employee, and will expose or continue to expose Employee to PMCI's proprietary and confidential business information, and Employee will continue service to PMCI, acting in good faith and in PMCI's interests, the parties hereto agree as follows:

1. PMCI'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, prospective client lists, client reports, and work papers, shall at all times remain the sole property of PMCI. Employee acknowledges that the information contained in the tangible property is a valuable asset of PMCI's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or permit any of the same to

Page 3 of 8

be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under lock and key. Upon the demand of PMCI, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to PMCI. Employee covenants that he/she will not provide PMCI's tangible property to any competitor of PMCI nor use PMCI's tangible property or the information contained therein in furtherance of the business of any competitor of PMCI.

2. <u>PMCI'S CONFIDENTIAL AND PROPRIETARY</u> INFORMATION

- All information imparted to Employee by PMCI, or a. otherwise obtained by Employee, at any time, relating to PMCI's methods of doing business; valuation methods; computer programs; business ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; prospective client lists; and any other client data, revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of PMCI. Employee shall not, at any time, either during or after employment with PMCI, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances, Employee shall promptly tender to PMCI all lists, records, work papers, reports and other documents Employee's possession or control relating to any clients, prospective clients or the business of PMCI.
- b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an employee of PMCI, regarding any proprietary information belonging to any of PMCI's clients, including but not limited to any client's methods or processes of production,

pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI.

3. PROHIBITIONS REGARDING PMCI'S PROPRIETARY BUSINESS INFORMATION

- It is understood and agreed by Employee that all business relationships and goodwill now existing with respect to the clients of PMCI, whether or not created by Employee, and all such relationships and goodwill which may hereafter be created enhanced, at all time remain the sole property of PMCI. Accordingly, Employee agrees that during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by PMCI to any client for which PMCI or its Employee has rendered services or to any prospective client that Employee has solicited to provide services of the sort provided by PMCI or about whom Employee has learned confidential information during the twelve (12) months preceding Employee's separation from PMCI; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.
- b. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information, and due to PMCI's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and

proprietary information outside of PMCI's employment would unduly prejudice relationship with existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of PMCI to leave PMCI's employ for any employment in a line of business similar to that conducted by PMCI in locations where PMCI services clients, or locations where PMCI has solicited clients within the twelve, (12) months preceding Employee's termination; nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of PMCI for any employment in a line of business similar to that conducted by PMCI in the aforesaid locations.

Due to the confidential nature of the proprietary C. information and the considerable amount of money, and effort expended to develop proprietary information to which Employee will be exposed, and with the understanding that the Employee's use of such proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI that Employee will not under any circumstances, proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, servant, employee or in any other capacity compete with PMCI by soliciting, selling or rendering services of the sort provided by PMCI to any individual or entity that has a business location in the locations serviced or solicited by PMCI within the twelve (12) months preceding Employee's termination nor will Employee, directly or

indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with PMCI.

5. <u>AMENDMENT</u>

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of PMCI.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. SEPARABILITY AND MODIFICATION

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent

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permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the substantive laws of the State of Illinois without reference to the choice of law provisions of Illinois or any other state. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

11. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

Page 8 of 8

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

EMPLOYEE	
	Δ

By: Sel A Byel IT
Its: Nul

PREVENTIVE MAINTENANCE COMPANY, INC.

By: Step Step Its: Messell Date: 3-9-01

EXHIBIT B

PREVENTIVE MAINTENANCE COMPANY, INC.

800-222-PMCI (7624) • FAX 847-956-8761





AGREEMENT



THIS AGREEMENT is entered into at Elk Grove Village, Illinois this 10 day of Tune, 1998, by and between PREVENTIVE MAINTENANCE COMPANY, INC. (hereinafter referred to as "Preventive") and Eun Loch (hereinafter referred to as "Employee").

RECITALS:

WHEREAS, Employee is assuming a position of employment with Preventive as a <u>URAMINATECHNICIPAN</u>, which will expose Employee to Preventive's tangible property containing confidential information, and other proprietary business information and which will expose Employee to proprietary information belonging to Preventive's clients which Employee will be entrusted to maintain as highly confidential; and

WHEREAS, Preventive and Employee hereby acknowledge that the industry in which Preventive competes is extremely competitive, and that Preventive expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, Preventive and Employee understand Employee will learn a great deal of information through his/her employment with Preventive, yet Preventive seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of Employee's employment with Preventive would jeopardize Preventive's relationship with existing clients; and

WHEREAS, Employee through his/her employment will be exposed to Preventive accounts, client lists, contract terms and other proprietary information regarding its clients' accounts, and its operations; and

WHEREAS, Employee recognizes the importance of his/her abiding by this Agreement to Preventive's ability to protect its proprietary business information and the proprietary information of its clients which is essential to the continued existence of Preventive's business; and

WHEREAS, Employee recognizes Preventive's restrictions on his/her future activity for a stated time are necessary to protect Preventive's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of Preventive's business; and

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Corporate
2500 West Estes Avenue
Elk Grove Village, Illinois 60007

<u>Wisconsin</u> 5224 Heffron Court Stevens Point, Wisconsin 54481 Page 2 of 7

WHEREAS, if Employee were to act in violation of this Agreement, Preventive could not be adequately compensated for any such breach and any such breach of this Agreement will cause irreparable injury to Preventive; and

WHEREAS, Employee and Preventive acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves Preventive's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that Preventive will employ, or continue to employ Employee, and will expose or continue to expose Employee to Preventive's proprietary and confidential business information, and Employee will continue service to Preventive, acting in good faith and in Preventive's interests, the parties hereto agree as follows:

1. PREVENTIVE'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, client reports, and work papers, shall at all times remain the sole property of Preventive. Employee acknowledges that the information contained in the tangible property is a valuable asset of Preventive's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or permit any of the same to be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under lock and key. Upon the demand of Preventive, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to Preventive. Employee covenants that he/she will property provide Preventive's tangible competitor of Preventive nor use Preventive's tangible property in furtherance of the business of any competitor of Preventive.

2. PREVENTIVE'S CONFIDENTIAL AND PROPRIETARY INFORMATION

 All information imparted to Employee by Preventive, or otherwise obtained by Employee, at any time, relating to Preventive's methods of doing business; valuation methods; computer programs; business

ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; and other client data, is revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of Preventive. Employee shall not, at any time, either during or after employment with Preventive, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of Preventive. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances, Employee shall promptly tender to Preventive all lists, records, work papers, and other documents in Employee's possession or control relating to any clients or the business of Preventive.

b. Employee promises to maintain confidential all information Employee may obtain, learn or be entrusted with as an employee of Preventive, regarding any proprietary information belonging to any of Preventive's clients, including but not limited to any client's methods or processes production, pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of Preventive.

3. PROHIBITIONS REGARDING PREVENTIVE'S PROPRIETARY BUSINESS INFORMATION

a. It is understood and agreed by Employee that all business relationships and goodwill now existing with respect to the clients of Preventive, whether or not created by Employee, and all such relationships and which may goodwill hereafter be created enhanced, at all time remain the sole property of Preventive. Accordingly, Employee agrees that during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with Preventive, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by Preventive to any client for which Preventive or its Employee has rendered services or to any prospective client that Employee

has solicited to provide services of the sort provided by Preventive or about whom Employee has learned confidential information during the twelve (12) months preceding Employee's separation from Preventive; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

- Due to the confidential nature of the proprietary b. information and the considerable amount of money, and effort expended to develop proprietary information, and due to Preventive's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and proprietary information outside of Preventive's employment would prejudice Preventive's relationship unduly existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with Preventive, Employee shall not, under any circumstances, as proprietor, joint venturer, stockholder, director. partner, officer, trustee, principal, agent, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of Preventive to leave Preventive's employ for any employment in a line of business similar to that conducted by Preventive in locations where Preventive services clients, locations where Preventive has solicited clients within the twelve, (12) months preceding Employee's termination; will Employee, directly nor indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of Preventive for any employment in a line of business similar to that conducted by Preventive in the aforesaid locations.
- Due to the confidential nature of the proprietary C. information and the considerable amount of money, and effort expended to develop such proprietary information to which Employee will be exposed, and with the understanding that the use of such proprietary information Employee's outside of Preventive's employment would unduly with existing prejudice Preventive's relationship clients, Employee agrees during the term of this Agreement and for a further period of two (2) years Employee's the termination of beginning on employment with Preventive that Employee will not under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other

Page 5 of 7

capacity compete with Preventive by soliciting, selling or rendering services of the sort provided by Preventive to any individual or entity that has a business location in the locations serviced or solicited by Preventive within the twelve (12) months preceding Employee's termination nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with Preventive.

5. AMENDMENT

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of Preventive.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. SEPARABILITY AND MODIFICATION

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

Page 7 of 7

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the laws of the State of Illinois. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

11. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

PREVENTIVE MAINTENANCE COMPANY, INC.

By: STEPHEN L. WARRHAM / Styl L. Warden
Its: DIRECTOR OF SPECETORS
Date: 6-10-98

EMPLOYEE

Its: VIBRATION TECHNICIAN

Date: 6-10-98

EXHIBIT C

Corporate

2500 Estes Avenue Elk Grove Village, IL 60007

Northern Region

5224 Heffron Court Stevens Point, WI 54481



Est. 1970

Ph: 800-222-PMCI Fax: 847-956-8761 **Ph: 888-444-PMCI** Fax: 715-342-9053

ISO 9002 Certificate #A4053

AGREEMENT

RECITALS:

WHEREAS, Employee is assuming a position of employment with PMCI as a TECHNICIAN, which will expose Employee to PMCI's tangible and intangible property, including confidential information, and other proprietary business information and which will expose Employee to proprietary information belonging to PMCI's clients which Employee will be entrusted to maintain as highly confidential; and

WHEREAS, PMCI and Employee hereby acknowledge that the industry in which PMCI competes is extremely competitive, and that PMCI expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, PMCI and Employee understand Employee will learn a great deal of information through his/her employment with PMCI, yet PMCI seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of Employee's employment with PMCI would jeopardize PMCI's relationship with existing and newly acquired clients and client prospects; and

WHEREAS, Employee through his/her employment will be exposed to PMCI accounts, client lists, contract terms, prospective client lists and other proprietary information regarding its clients' accounts, and its operations; and

WHEREAS, Employee recognizes the importance of his/her abiding by this Agreement to PMCI's ability to protect its proprietary business information and the proprietary information

Predictive Machinery Vibration Programs

Vibration Analysis

Dynamic Balancing

Infrared Inspections

Predictive Technology Services

Machine Tool & Spindle Analysis

Laser Analysis

Emergency Services

Page 2 of 8

of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, Employee recognizes PMCI's restrictions on his/her future activity for a stated time are necessary to protect PMCI's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, if Employee were to act in violation of this Agreement, PMCI could not be adequately compensated for any such breach by money damages and any such breach of this Agreement will cause irreparable injury to PMCI; and

WHEREAS, Employee and PMCI acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves PMCI's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that PMCI will employ, or continue to employ Employee, and will expose or continue to expose Employee to PMCI's proprietary and confidential business information, and Employee will continue service to PMCI, acting in good faith and in PMCI's interests, the parties hereto agree as follows:

1. PMCI'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, prospective client lists, client reports, and work papers, shall at all times remain the sole property of PMCI. Employee acknowledges that the information contained in the tangible property is a valuable asset of PMCI's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or permit any of the same to

Page 3 of 8

be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under lock and key. Upon the demand of PMCI, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to PMCI. Employee covenants that he/she will not provide PMCI's tangible property to any competitor of PMCI nor use PMCI's tangible property or the information contained therein in furtherance of the business of any competitor of PMCI.

2. <u>PMCI'S CONFIDENTIAL AND PROPRIETARY</u> INFORMATION

- All information imparted to Employee by PMCI, or otherwise obtained by Employee, at any time, relating to PMCI's methods of doing business; valuation methods; computer programs; business ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; prospective client lists; and any other client data, revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of PMCI. Employee shall not, at any time, either during or after employment with PMCI, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances, Employee shall promptly tender to PMCI all lists, records, work papers, reports and other documents in Employee's possession or control relating to any clients, prospective clients or the business of PMCI.
- b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an employee of PMCI, regarding any proprietary information belonging to any of PMCI's clients, including but not limited to any client's methods or processes of production,

Page 4 of 8

pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI.

3. <u>PROHIBITIONS REGARDING PMCI'S</u> PROPRIETARY BUSINESS INFORMATION

- It is understood and agreed by Employee that all a. business relationships and goodwill now existing with respect to the clients of PMCI, whether or not created by Employee, and all such relationships and goodwill which may hereafter be created or enhanced, at all time remain the sole property of PMCI. Accordingly, Employee agrees that during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by PMCI to any client for which PMCI or its Employee has rendered services or to any prospective client that Employee has solicited to provide services of the sort provided by PMCI or about whom Employee has learned confidential information during the twelve (12) months preceding Employee's separation from PMCI; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.
- b. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information, and due to PMCI's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and

Page 5 of 8

proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of PMCI to leave PMCI's employ for any employment in a line of business similar to that conducted by PMCI in locations where PMCI services clients, or locations where PMCI has solicited clients within the twelve, (12) months preceding Employee's termination; nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of PMCI for any employment in a line of business similar to that conducted by PMCI in the aforesaid locations.

Due to the confidential nature of the proprietary information and the considerable amount of money, and effort expended to develop proprietary information to which Employee will be exposed, and with the understanding that Employee's use of such proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI that Employee will not under any circumstances, proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity compete with PMCI by soliciting, selling or rendering services of the sort provided by PMCI to any individual or entity that has a business location in the locations serviced or solicited by PMCI within the twelve (12) months preceding Employee's termination nor will Employee, directly or

Page 6 of 8

indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with PMCI.

5. <u>AMENDMENT</u>

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of PMCI.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. <u>SEPARABILITY AND MODIFICATION</u>

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent

Page 7 of 8

permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the substantive laws of the State of Illinois without reference to the choice of law provisions of Illinois or any other state. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

11. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

Page 8 of 8

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

EMPLOYEE

By:

Date:

PREVENTIVE MAINTENANCE COMPANY, INC.

By:

Its:

DIRECTUR OF OPERATION

Date:

: 4.7-03

EXHIBIT D



Est. 1970

Corporate

2500 Estes Avenue Elk Grove Village, IL 60007

Northern Region

5224 Heffron Court Stevens Point, WI 54481



Certificate #A4053

Ph: 800-222-PMCI

Fax: 847-956-8761

Ph: 888-444-PMCI

Fax: 715-342-9053

AGREEMENT

THIS AGREEMENT is entered into at Elk Grove Village, Illinois this i6th day of Sausay, oc, by and between PREVENTIVE MAINTENANCE COMPANY, INC. (hereinafter referred to as "PMCI") and Whoman) Sam. ok (hereinafter referred to as "Employee").

RECITALS:

WHEREAS, Employee is assuming a position of employment with , which will expose Employee to PMCI's intangible property, including confidential tangible and information, and other proprietary business information and which will expose Employee to proprietary information belonging to PMCI's clients which Employee will be entrusted to maintain as highly confidential; and

WHEREAS, PMCI and Employee hereby acknowledge that the industry in which PMCI competes is extremely competitive, and that PMCI expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, PMCI and Employee understand Employee will learn a great deal of information through his/her employment with PMCI, yet PMCI seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of Employee's employment with PMCI would jeopardize PMCI's relationship with existing and newly acquired clients and client prospects; and

WHEREAS, Employee through his/her employment will be exposed to PMCI accounts, client lists, contract terms, prospective client lists and other proprietary information regarding its clients' accounts, and its operations; and

Predictive Machinery Vibration Programs

Vibration Analysis

Dynamic Balancing

Infrared Inspections

Predictive Technology Services

Ultrasound Inspections

Machine Tool & Spindle Analysis

Laser Analysis

Emergency Services

Page 2 of 8

WHEREAS, Employee recognizes the importance of his/her abiding by this Agreement to PMCI's ability to protect its proprietary business information and the proprietary information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, Employee recognizes PMCI's restrictions on his/her future activity for a stated time are necessary to protect PMCI's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, if Employee were to act in violation of this Agreement, PMCI could not be adequately compensated for any such breach by money damages and any such breach of this Agreement will cause irreparable injury to PMCI; and

WHEREAS, Employee and PMCI acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves PMCI's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that PMCI will employ, or continue to employ Employee, and will expose or continue to expose Employee to PMCI's proprietary and confidential business information, and Employee will continue service to PMCI, acting in good faith and in PMCI's interests, the parties hereto agree as follows:

1. PMCI'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, prospective client lists, client reports, and work papers, shall at all times remain the sole property of PMCI. Employee acknowledges that the information contained in the tangible property is a valuable asset of PMCI's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or

Page 3 of 8

permit any of the same to be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under lock and key. Upon the demand of PMCI, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to PMCI. Employee covenants that he/she will not provide PMCI's tangible property to any competitor of PMCI nor use PMCI's tangible property or the information contained therein in furtherance of the business of any competitor of PMCI.

2. PMCI'S CONFIDENTIAL AND PROPRIETARY INFORMATION

All information imparted to Employee by PMCI, or a. otherwise obtained by Employee, at any time, relating PMCI's methods of doing business; valuation methods; computer programs; business ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; prospective client lists; and any other client data, is revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of PMCI. Employee shall not, at any time, either during or after employment with PMCI, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances, Employee shall promptly tender to PMCI all lists, records, work papers, reports and other documents in Employee's possession or control relating to any clients, prospective clients or the business of PMCI.

Page 4 of 8

b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an employee of PMCI, regarding any proprietary information belonging to any of PMCI's clients, including but not limited to any client's methods or processes of production, pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI.

3. PROHIBITIONS REGARDING PMCI'S PROPRIETARY BUSINESS INFORMATION

It is understood and agreed by Employee that all a. business relationships and goodwill now existing with respect to the clients of PMCI, whether or not created by Employee, and all such relationships and goodwill which may hereafter be created or enhanced, all time remain the sole property of PMCI. at Accordingly, Employee agrees that during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by PMCI to any client for which PMCI or its Employee has rendered services or to any prospective client that Employee has solicited to provide services of the sort provided by PMCI or about whom Employee has learned confidential information during preceding Employee's months twelve (12) separation from PMCI; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

Page 5 of 8

- b. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary and due information, to PMCI's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of PMCI to leave PMCI's employ for any employment in a line of business similar to that conducted by PMCI in locations where PMCI services clients, or locations where PMCI has solicited clients within the twelve, (12) months preceding Employee's termination; nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of PMCI for any employment in a line of business similar to that conducted by PMCI in the aforesaid locations.
- c. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information to which Employee will be exposed, and with the understanding that the Employee's use of such proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI that Employee will not under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer,

Page 6 of 8

trustee, principal, agent, servant, employee or in any other capacity compete with PMCI by soliciting, selling or rendering services of the sort provided by PMCI to any individual or entity that has a business location in the locations serviced or solicited by PMCI within the twelve (12) months preceding Employee's termination nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with PMCI.

5. AMENDMENT

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of PMCI.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. SEPARABILITY AND MODIFICATION

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be

Page 7 of 8

deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the substantive laws of the State of Illinois without reference to the choice of law provisions of Illinois or any other state. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

11. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. EMPLOYMENT

Nothing in this Agreement is meant to alter the "at will nature" of employment.

Page 8 of 8

13. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

EMPLOYEE

By: Its:

Date: _ i//s/06

PREVENTIVE MAINTENANCE COMPANY, INC.

By: Its:

Date:

EXHIBIT E

DANA VOIA ARVI	
Name Dale Harald Breckness 77 (Type or print full name - no initials)	Date of Birth 7-12-6/
Employed by SKF (Division or subsidiary company)	At Storms Point WI (City and State)
Occupation Directon SKF Reliability systems	Date Employed <u>64-16-200</u>
Effective Date of this Agreement 6-1-04-07 (If employment begins in an occupation requiring this agreement, enter date Otherwise enter date of transfer to occupation requi	employed as effective date of this agreement.
Employee Invention, Patent and	Secrecy Agreement
Agreement made by and between SKF USA Inc. a Corporation Date Hacele Bischeros # of 5224 He Name (hereilafter called the Employee)	of Delaware (hereinafter called SKF) and Hereinafter called SKF) and Address
In consideration of the covenants herein recited, of the Employee's sation paid by SKF to Employee, it is agreed that: 1. The Employee will and does assign to SKF all inventions and in employ or with the use of SKF's time, material, equipment or facilities retherefor, machines, tools, devices, equipment or processes useful or perland any other line of business or business activity in which SKF is engagobtained whereon, in this and all foreign countries; and upon request by SKF and after its termination for any reason; execute all proper papers such United States and foreign patents as SKF may desire, and will execute so requested, but at the expense of SKF. Employee will give SKF such prosecution of such patent applications and in defense of any patents grant 2. SKF recognizes that the patents or ideas listed and explained ceived by the Employee prior to his employment by SKF and as such and Employers to prosecute, manufacture, use and/or sell as he or they may detend a such and Employers to prosecute, manufacture, use and/or sell as he or they may detend to prosecute, manufacture, and the will not in any way without SKF's written approval, disclose or publish to any unauthorized petary information, trade secrets and confidential business matters, included sequences, equipment, research items and results, drawings, prints, cuprograms. All documents, memoranda, reports, prints, and drawings, in items, are the sole and entire property of SKF which Employee will surrewith SKF; Employee will certify, upon request, to such surrender. Wherever SKF or SKF USA Inc. shall appear herein, the same shall assigns of SKF USA Inc. IN WITNESS WHEREOF, SKF USA Inc. has caused these presents his hand and seal this	approvements made or conceived by him while in its elating to anti-friction bearings, parts or accessories taining to, or connected with anti-friction bearings ged together with such patent or patents as may be SKF, will at any time during his employment with for use in applying for, obtaining and maintaining ite and deliver all proper assignments thereof, when ch assistance as he is capable with respect to the ted, including evidence in any proceeding, on the pages attached to this agreement were concerted the property of the Employee and/or his previous esire. The secrecy of SKF's trade secrets and confidentially during his employment and at any time thereafter, person, firm or corporation any technical or propricing but not limited to, secret processes, formulae, stomer lists, costs, technical sales and marketing cluding all copies thereof in respect of the above ender to SKF upon any termination of employment I include the divisions, subsidiaries, successors and
	SKF USA Inc.
Hale ABITE Type	with D. Hilford
Employee	June Seli (seal)
/ Witness for Employee	Attest for General Counsel

EXHIBIT F

SKF USA Inc.	SKF
Name Kevin Blake Koch (Type or print full name - no initials)	Date of Birth 2/26/67
Employed by	At Stevens Point WF (City and State)
Occupation Term Lesser	Date Employed 6/10/98
Effective Date of this Agreement	te employed as effective date of this agreement
Otherwise enter date of transfer to occupation req	uiring this agreement).
Employee Invention, Patent and	Secrecy Agreement
Agreement made by and between SKF USA Inc. a Corporation Name (hereinafter called the Employee)	n of Delaware (hereinafter called SKF) and ACL Engleth Mily 53 734 Address
In consideration of the covenants herein recited, of the Employee's sation paid by SKF to Employee, it is agreed that: 1. The Employee will and does assign to SKF all inventions and it employ or with the use of SKF's time, material, equipment or facilities reference, machines, tools, devices, equipment or processes useful or per and any other line of business or business activity in which SKF is engaged obtained whereon, in this and all foreign countries; and upon request by SKF and after its termination for any reason; execute all proper papers such United States and foreign patents as SKF may desire, and will execusor requested, but at the expense of SKF. Employee will give SKF supprosecution of such patent applications and in defense of any patents grar 2. SKF recognizes that the patents or ideas listed and explained ceived by the Employee prior to his employment by SKF and as such an Employers to prosecute, manufacture, use and/or sell as he or they may does a such a such a such as the such as	mprovements made or conceived by him while in its relating to anti-friction bearings, parts or accessories retaining to, or connected with anti-friction bearings aged together with such patent or patents as may be SKF, will at any time during his employment with for use in applying for, obtaining and maintaining ute and deliver all proper assignments thereof, when ch assistance as he is capable with respect to the sted, including evidence in any proceeding. On the pages attached to this agreement were concert the property of the Employee and/or his previous esire. The secrecy of SKF's trade secrets and confidentially during his employment and at any time thereafter person, firm or corporation any technical or propriating but not limited to, secret processes, formulae instomer lists, costs, technical sales and marketing including all copies thereof in respect of the above the secret of the secret of the secret of the above the secret of the secret of the secret of the above the secret of the s
assigns of SKF USA Inc. IN WITNESS WHEREOF, SKF USA Inc. has caused these present	s to be executed and the Employee has hereunto se
his hand and seal this day of day of	34. , 20 <u>0 7</u> .
16h	SKF USA Inc.
Employee	General Counsel
Jak Winds for Continue	Juna du (seal)

EXHIBIT G

SKF USA Inc.	BKF
Name 5950 H. Lovel (Type or print foll name - no initials)	Date of Birth No-9-99
Employed by SKF ULPS VIVE (Division or subsidiary company)	ALETEVENS POINT, W
Occupation RELIABILITY ENGINEER	Date Employed 04 - 07 - 200
Effective Date of this Agreement (If employment begins in an occupation requiring this agreement, enter date	employed as effective date of this agreement
Otherwise enter date of transfer to occupation requ Employee Invention, Patent and	
Agreement made by and between SKF USA Inc. a Corporation Name (hereinafter called the Employee) Of 11751	WRIVER HILLAND
Witnesseth: APT S	215 BURNSVILLE MN
In consideration of the covenants herein recited, of the Employee's sation paid by SKF to Employee, it is agreed that: 1. The Employee will and does assign to SKF all inventions and im	infovements made or conceived by him white in
therefor, machines, tools, devices, equipment or processes useful or pert	lating to anti-friction bearings, parts or accessorie
obtained whereon, in this and all foreign countries; and upon request by SKF and after its termination for any reason; execute all proper papers such United States and foreign patents as SKF may desire, and will execut	ged together with such patent or patents as may b SKF, will at any time during his employment with for use in applying for, obtaining and maintaining the and deliver all proper assignments thereof in her
so requested, but at the expense of SKF. Employee will give SKF such prosecution of such patent applications and in defense of any patents grants 2. SKF recognizes that the patents or ideas listed and explained of ceived by the Employee prior to his employment by SKF and as such are Employers to prosecute, manufacture, use and/or sell as he or they may design the such as the	ed, including evidence in any proceeding. on the pages attached to this agreement were con
3. The Employee recognizes the vital importance of maintaining the	e secrety of SKE's trade secrets and as-fidential
without SKF's written approval, disclose or publish to any unauthorized pretary information, trade secrets and confidential business matters, including sequences, equipment, research items and results, drawings, prints, cust	during his employment and at any time thereafter erson, firm or corporation any technical or propri- ng but not limited to, secret processes, formulae
items, are the sole and entire property of SKF which Employee will surrer with SKF; Employee will certify, upon request, to such surrender.	luding all copies thereof in respect of the above nder to SKF upon any termination of employment
Wherever SKF or SKF USA Inc. shall appear herein, the same shall assigns of SKF USA Inc.	include the divisions, subsidiaries, successors and
IN WITNESS WHEREOF, SKF USA Inc. has caused these presents to the seal this	to be executed and the Employee has hereunto set
X / /	SKF USA Inc.
The line	May & Hillard
Cartionee	General Covinsol
Witness for Employee	Attest for General Counsel (seal)

EXHIBIT H

SKF USA Inc.	SINE	
Name Wacron Fronze Komic/ (Type or print full name - no initiats)	Date of Birth $\frac{7/23}{75}$	
Employed by Day T 34/ (Division or subsidiary company)	At Storens forms, Will (City and State)	
Occupation RELIABILITY BAGINESIN		
Effective Date of this Agreement (If employment begins in an occupation requiring this agreement, enter date Otherwise enter date of transfer to occupation requi	employed as effective date of this agreement. ring this agreement).	
Employee Invention, Patent and	Secrecy Agreement	
Agreement made by and between SKF USA Inc. a Corporation Name (hereinafter called the Employee)	of Delaware (hereinafter called SKF) and NE SEMIPSI, MN/Address	
Witnesseth: In consideration of the covenants herein recited, of the Employee's affiliation and activities with SKF and the compensation paid by SKF to Employee, it is agreed that: 1. The Employee will and does assign to SKF all inventions and improvements made or conceived by him while in its employ or with the use of SKF's time, material, equipment or facilities relating to anti-friction bearings, parts or accessories therefor, machines, tools, devices, equipment or processes useful or pertaining to, or connected with anti-friction bearings and any other line of business or business activity in which SKF is engaged together with such patent or patents as may the obtained whereon, in this and all foreign countries; and upon request by SKF, will at any time during his employment with SKF and after its termination for any reason; execute all proper papers for use in applying for, obtaining and maintaining such United States and foreign patents as SKF may desire, and will execute and deliver all proper assignments thereof, where so requested, but at the expense of SKF. Employee will give SKF such assistance as he is capable with respect to the prosecution of such patent applications and in defense of any patents granted, including evidence in any proceeding. 2. SKF recognizes that the patents or ideas listed and explained on the pages attached to this agreement were conceived by the Employee prior to his employment by SKF and as such are the property of the Employee and/or his previous Employers to prosecute, manufacture, use and/or sell as he or they may desire. 3. The Employee recognizes the vital importance of maintaining the secrecy of SKF's trade secrets and confidential business matters. Therefore, Employee agrees that he will not in any way during his employment and at any time thereafter without SKF's written approval, disclose or publish to any unauthorized person, firm or corporation any technical or propietry information, trade secrets and confidential business matters, including but not limited to		

08CV4709 JUDGE MORAN MAGISTRATE JUDGE DENLOW RCC

EXHIBIT I

Pepper Hamilton LLP

3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103-2799 215.981.4000 Fax 215.981.4750

Stephen J. Sundheim direct dial: 215.981.4576 direct fus: 866.738.9612 sundheims@pepperlaw.com

July 1, 2008

Via Federal Express

Mr. Dale Bjerkness 11342 Sorenson Lake Lane Merrifield, MN 56445

Re: Your Violation of Your SKF and PMCI Agreements

Dear Mr. Bjerkness:

Our firm represents SKF USA Inc. ("SKF") to enforce its rights under the "Employee Invention, Patent and Secrecy Agreement" you executed on January 4, 2007, your Agreement with PMCI that SKF assumed when it purchased PMCI in 2007, and the applicable trade secrets statutes. A copy of the agreements you signed are enclosed.

Among other things, your agreements, including your PMCI Agreement that, according to its terms, was assigned to SKF on the sale of PMCI to SKF in 2007,

- 1. prohibit you from using or disclosing SKF's trade secrets, proprietary information or confidential business information;
- require that you return all of SKF's property upon termination of your SKF employment;
- 3. prohibit you for two years from your termination from soliciting business from customers to whom you have rendered services or from prospective clients that you solicited to provide services during the 12 months preceding your termination;
- 4. prohibit you for two years from soliciting or inducing any employee to leave employment with SKF (or PMCI) to work in a business similar to that of PMCI (or SKF after the sale of PMCI); and

#97751 (6.v)

Philadelphia	Boston	Weshington, D.C.	Detroit	New York	Piresburgh
Betwen	Marrisbury				
www.pegglike.com					

Pepper Hamilton LP

Mr. Dale Bjerkness Page 2 July 1, 2008

 prohibit you for two years from competing with SKF by providing services of the type provided by PMCI (or SKF after it purchased PMCI) within 12 months of your termination.

It has recently come to SKF's attention that you are in the process of establishing, or have established, a business that is or will be similar to the business you engaged in while employed by SKF (and before that, by PMCI) and that will compete with SKF's business that it purchased from PMCI, namely the sale and servicing of monitoring equipment for the industrial sector. Further, SKF has learned that you have called on and solicited business from former SKF/PMCI customers with whom you dealt while at SKF and PMCI, that you have approached at least two SKF technicians to work for your new company, that you have refused, despite requests from Bart Bartholomew, to return SKF property, and that you are breaching your agreements and applicable laws by using Confidential Information, proprietary information and trade secrets that you obtained while working at SKF/PMCI.

SKF is very concerned about these breaches of your contractual and other legal obligations. SKF will enforce its rights and seek an injunction and money damages to ensure that you are not attempting to do business with its customers or prospective customers, soliciting its employees to join your new company, or using its confidential or proprietary information or trades secrets or otherwise violate the agreements and that you and that you return all of its property.

This letter is not intended to replace or limit the obligations under the agreements in any way. I am sure that you understand that SKF takes these commitments seriously and will enforce its rights if you do not honor them.

Please provide this letter to your attorney if you have one. If you do not have an attorney, you may wish to consult one. In any event, please advise me by Tuesday, July 8, whether the information I have described above is incorrect and whether you will honor the terms of your Agreements. If I do not hear from you by then, I will assume that the information is correct, that you are violating the agreements, and that you will continue to do so. In that event, we will pursue all of our legal remedies on behalf of SKF. I would be willing to confer with you or your attorney if you have any questions.

Very truly yours,

Stephen J. Swiidheim

SJS:skr Enclosures

SKF USA Inc.	
Name Dele Harel Bienko es 3 77	Date of Birth 7-12-6/
Employed by SKF (Division or subsulary company)	As Stevens French WIT
Occupation Director SEF Reliability System	<u>→</u> Date Employed <u>64 - 16 - 266 ·</u>
Effective Date of this Agreement 2-7-69-67 Remptoyment begins in an occupation requiring this agreement. Otherwise coar day of transfer to occup.	enier date compayed to effective date of the agreement about copining this excenter.
Employee Invention, Patent	and Secrecy Agreement
Agreement made by and between SKP USA inc. a Corp. School Exception To of 522	oration of Delaware (nereinafter called SKF) and 21 Heff see Cl. Stevens Book, 197
Winnessein: In consideration of the covenants herem recited, of the Empission paid by SKF to Employee, it is agreed that: 1. The Employee will and does assign to SKP all inventions employ or with the use of SKF's time, material, equipment or fact therefor, machines, tools, devices, equipment or processes useful and any other line of business or business activity in which SKF obtained whereon, in this and all foreign countries; and upon requested whereon, in this and all foreign countries; and upon requested whereon, in this and all foreign countries; and upon requested whereon, in this and all foreign countries; and upon requested, but at the expense of SKF. Employee will give Sprosecution of such patent applications and in defense of any pater. 2. SKF recognizes that the patents of ideas listed and expected by the Employee prior to his employment by SKF and as Employers to prosecute, manufacture, use and/or self as he or they for the Employee recognizes the vital importance of maint numbers matters. Therefore, Employee agrees that he will not in surfaces SKF's written approval, discusse or publish to any imanifector, intermetion, frade express and confidential husiness matters acquired and antiferents and confidential husiness matters acquired and antiferents and confidential husiness matters are the sole and entire property of SKF which Employee with SKF; Employee will certify, upon request, to such surrender. Wherever SKF or SKF USA Inc. shall appear herem, the season of SKF USA Inc. 1N WITNESS WHEREOF, SKF USA Igc. has caused these.	s and improvements made or conceived by him while in itself, it is anti-triction bearings, parts or accessorie it or pertaining to, or connected with anti-friction bearings as engaged together with such potent or potents as roat havest by SKF, will at any time during his employment war papers for use in applying for obtaining and maintaining ill execute and deliver all proper assignments thereof, when SKF such assistance as he is espable with respect to the six grantest, including evidence in any proceeding tuned on the pages attached to this agreement were consuch are the property of the Employee and/or his previous may desire. altimp the secrecy of SKF's trade secrets and confidential any way during his employment and at any time thereafter ancized person, from all corporation any technical or prionic including but not limited to, secret processes, formulae, timis, customer lists, costs, technical sides and marketing, rings, including all copies thereof in respect of the above will sutrended to SKF upon any termination of employment one shall include the divisions, subsidiaries, successors and
no need and seal this	SKF USA Inc.
Life HAIT E	Transfer or Hilland
Employee	Jum Sler
Winters the Employee	Allest for Centeral Counter



Corporate

2500 Estes Avenue 5224 Hefiron Court Elk Grove Village, IL 60007 Stevens Point, WI 54481

Nonhern Region

Ph: 888-444-PMCI Fax: 715-342-9053



Fax: 847-956-6761 AGREEMENT

Ph: 800-222-PMCI

THIS AGREEMENT is entered into at Elk Grove Village, Illinois this day of _____, by and between PREVENTIVE MAINTENANCE COMPANY, INC. (hereinafter referred to as "PMCI") and have a second (hereinafter referred to as "Employee").

RECITALS:

WHEREAS, Employee is assuming a position of employment with PMCI as a transport which will expose Employee to PMCI's tangible and intangible property, including confidential information, and other proprietary business information and which will expose Employee to proprietary information belonging to PMCI's clients which Employee will be entrusted to maintain as highly confidential; and

WHEREAS, PMCI and Employee hereby acknowledge that the industry in which PMCI competes is extremely competitive, and that PMCI expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, MMCI and Employee understand Employee will learn a great deal of information through his/her employment with PMCI, yet PMCI seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of Employee's employment with PMCI would jeopardize PMCI's relationship with existing and newly acquired clients and client prospects; and

WHEREAS, Employee through his/her employment will be exposed to PMCI accounts, client lists, contract terms, prospective client lists and other proprietary information regarding its clients' accounts, and its operations; and

WHEREAS, Employee recognizes the importance of his/her abiding by this Agreement to PMCI's ability to protect its proprietary business information and the proprietary information

Predictive Machinery Vibration Programs

Vibration Analysis

Dynamic Sciancing

intrared inspections

Predictive Technology Services

Machine Tool & Spindle Analysis

Emergency Service:

Page 2 of 8

of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, Employee recognizes PMCI's restrictions on his/her future activity for a stated time are necessary to protect PMCI's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, if Employee were to act in violation of this Agreement, PMCI could not be adequately compensated for any such breach by money damages and any such breach of this Agreement will cause irreparable injury to PMCI; and

WHEREAS, Employee and PMCI acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves PMCI's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that PMCI will employ, or continue to employ Employee, and will expose or continue to expose Employee to PMCI's proprietary and confidential business information, and Employee will continue service to PMCI, acting in good faith and in PMCI's interests, the parties hereto agree as follows:

1. PMCI'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, prospective client lists, client reports, and work papers, shall at all times remain the sole property of PMCI. Employee acknowledges that the information contained in the tangible property is a valuable asset of PMCI's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or permit any of the same to

Page 3 of 8

be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under lock and key. Upon the demand of PMCI, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to PMCI. Employee covenants that he/she will not provide PMCI's tangible property to any competitor of PMCI nor use PMCI's tangible property or the information contained therein in furtherance of the business of any competitor of PMCI.

2. PMCI'S CONFIDENTIAL AND PROPRIETARY INFORMATION

- All information imparted to Employee by PMCI, or otherwise obtained by Employee, at any time, relating to PMCI's methods of doing business; valuation methods; computer programs; business ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; prospective client lists; and any other client data, is revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of PMCI. Employee shall not, at any time, either during or after employment with PMCI, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances. Employee shall promptly tender to PMCI all lists, records, work papers, reports and other documents in Employee's possession or control relating to any clients, prospective clients or the business of DMCT.
- b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an employee of PMCI, regarding any proprietary information belonging to any of PMCI's clients, including but not limited to any client's methods or processes of production,

Page 4 of 8

pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI.

3. PROHIBITIONS REGARDING PMCI'S PROPRIETARY BUSINESS INFORMATION

- It is understood and agreed by Employee that all business relationships and goodwill now existing with respect to the clients of PMCI, whether or not created by Employee, and all such relationships and goodwill which may hereafter be created or enhanced, at all time remain the sole property of PMCI. Accordingly, Employee agrees that during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by PMCI to any client for which PMCI or its Employee has rendered services or to any prospective client that Employee has solicited to provide services of the sort provided by PMCI or about whom Employee has learned confidential information during the twelve (12) months preceding Employee's separation from PMCI; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.
- b. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information, and due to PMCI's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and

Page 5 of 8

information outside of proprietary employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of PMCI to leave PMCI's employ for any employment in a line of business similar to that conducted by PMCI in locations where PMCI services clients, or locations where PMCI has solicited clients within the twelve, (12) months preceding will Employee, Employee's termination; nor directly or indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of PMCI for any employment in a line of business similar to that conducted by PMCI in the aforesaid locations.

Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information to which Employee will be exposed, and with the understanding that the Employee's use of such proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI that Employee will not under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity compete with PMCI by soliciting, selling or rendering services of the sort provided by PMCI to any individual or entity that has a business location in the locations serviced or solicited by PMCI within the twelve (12) months preceding Employee's termination nor will Employee, directly or

Page 6 of 8

indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with PMCI.

5. AMENDMENT

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of PMCI.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. SEPARABILITY AND MODIFICATION

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent

[&]quot;Precise Machinery Condition Intelligence" 800-222-PMCI FAX 847-956-8761

Page 7 of 8

permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the substantive laws of the State of Illinois without reference to the choice of law provisions of Illinois or any other state. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

12. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

Page 8 of 8

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

EMPLOYEE

By: Its: Date:	<u> </u>	
PREVEN	TIVE MAINTENANCE COMPANY,	INC.
By: Its: Date:	1. 5. 2. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5. 5.	

EXHIBIT J

Pepper Hamilton LLP

3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103-2799 215.981.4000 Fax 215.981.4750

Stephen J. Sundheim direct dial: 215.981.4576 direct fax: 866.738.9612 sundheims@pepperlaw.com

July 2, 2008

Via Federal Express

Mr. Kevin Koch 713 Bourgin Road Virginia, MN 55792

Re: Your Violation of Your SKF and PMCI Agreements

Dear Mr. Koch:

Our firm represents SKF USA Inc. ("SKF"). SKF has learned that you have accepted employment with Dale Bjerkness or a company operated by Mr. Bjerkness called Equipment Reliability Services, Inc., and that you are engaged in a business that competes with the business that you engaged in for SKF. This letter is to remind you of your obligations to SKF and inform you that SKF will enforce its rights under the "Employee Invention, Patent and Secrecy Agreement" you executed on January 4, 2007, your Agreement with PMCI that SKF assumed when it purchased PMCI in 2007, and the applicable trade secrets statutes. A copy of the agreements you signed are enclosed.

Among other things, your agreements, including your PMCI Agreement that, according to its terms, was assigned to SKF on the sale of PMCI to SKF in 2007,

- 1. prohibit you from using or disclosing SKF's trade secrets, proprietary information or confidential business information;
- 2. require that you return all of SKF's property upon termination of your SKF employment;
- 3. prohibit you for two years from your termination from soliciting business from or providing services to customers to whom you have rendered services or from prospective clients that you solicited to provide services during the 12 months preceding your termination;

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Philadelphia Boston Washington, D.C. Detroit New York Pintsburgh

Berwyn Harrisburg Orange County Princeton Wilmington

Pepper Hamilton W

Mr. Kevin Koch Page 2 July 2 2008

- 4. prohibit you for two years from soliciting or inducing any employee to leave employment with SKF (or PMCI) to work in a business similar to that of PMCI (or SKF after the sale of PMCI): and
- 5. prohibit you for two years from competing with SKF by providing services of the type provided by PMCI (or SKF after it purchased PMCI) within 12 months of your termination.

SKF is very concerned that you be fully aware of you obligations under these agreements and that you know that SKF will take all steps necessary to address any breaches of your contractual and other legal obligations. If warranted, SKF will seek an injunction and money damages to ensure that you do not attempt to do business with its customers or prospective customers, solicit its employees to join your new employer, or use its confidential or proprietary information or trades secrets or otherwise violate the agreements and that you return all of its property.

This letter is not intended to replace or limit the obligations under the agreements in any way. I am sure that you understand that SKF takes these commitments seriously and will enforce its rights if you do not honor them.

Please provide this letter to your attorney if you have one. If you do not have an attorney, you may wish to consult one. In any event, please advise me by Wednesday, July 9, whether the information I have described above is incorrect and whether you will honor the terms of your agreements. If I do not hear from you by then, I will assume that the information is correct, that you are violating the agreements, and that you will continue to do so. In that event, we will pursue all of our legal remedies on behalf of SKF. I would be willing to confer with you or your attorney if you have any questions.

SJS:skr Enclosures

SKF USA Inc.	
Name <u>Levin</u> Blake Koch (Type or print full name - no initials)	Date of Birth 2/26/67
Employed by SKF (Division or subsidiary company)	AI STEVENS POINT WE (City and State)
Occupation Term Lemen	Date Employed 6/10/98
	nent, enter date employed as effective date of this agreement.
	nt and Secrecy Agreement
Name (hereinafter called the Employee)	Corporation of Delaware (hereinafter called SKF) and SI S 734 Address
sation paid by SKF to Employee, it is agreed that: 1. The Employee will and does assign to SKF all invent employ or with the use of SKF's time, material, equipment or therefor, machines, tools, devices, equipment or processes us and any other line of business or business activity in which S obtained whereon, in this and all foreign countries; and upon SKF and after its termination for any reason; execute all pro such United States and foreign patents as SKF may desire, and so requested, but at the expense of SKF. Employee will give prosecution of such patent applications and in defense of any prosecution of such patent applications and in defense of any processed by the Employee prior to his employment by SKF and Employers to prosecute, manufacture, use and/or sell as he or to 3. The Employee recognizes the vital importance of mousiness matters. Therefore, Employee agrees that he will not without SKF's written approval, disclose or publish to any unetary information, trade secrets and confidential business mat sequences, equipment, research items and results, drawings programs. All documents, memoranda, reports, prints, and ditems, are the sole and entire property of SKF which Employwith SKF; Employee will certify, upon request, to such surrence Wherever SKF or SKF USA Inc. shall appear herein, the assigns of SKF USA Inc.	seful or pertaining to, or connected with anti-friction bearing its is engaged together with such patent or patents as may be request by SKF, will at any time during his employment with oper papers for use in applying for, obtaining and maintaining will execute and deliver all proper assignments thereof, when we SKF such assistance as he is capable with respect to the patents granted, including evidence in any proceeding. explained on the pages attached to this agreement were concluded as such are the property of the Employee and/or his previous they may desire. a intaining the secrecy of SKF's trade secrets and confidential in any way during his employment and at any time thereafter the interest of the secret processes, formulation, including but not limited to, secret processes, formulation, prints, customer lists, costs, technical sales and marketing trawings, including all copies thereof in respect of the above ee will surrender to SKF upon any termination of employments.
his hand and seal thisday of	
	SKF USA Inc.
Employee	Jorrene D
- Alexander	A Used for Garage Council

PREVENTIVE MAINTENANCE COMPANY, INC.

800-222-PMCI (7624) * FAX 847-956-8761



Est. 1970

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AGREEMENT

THIS AGREEMENT is entered into at Elk Grove Village, Illinois this 10 day of Tune, 1998, by and between PREVENTIVE MAINTENANCE COMPANY, INC. (hereinafter referred to as "Preventive") and kein koch (hereinafter referred to as "Employee").

RECITALS:

Preventive as a <u>Under Technology</u>, which will expose Employee to Preventive's tangible property containing confidential information, and other proprietary business information and which will expose Employee to proprietary information belonging to Preventive's clients which Employee will be entrusted to maintain as highly confidential; and

WHEREAS, Preventive and Employee hereby acknowledge that the industry in which Preventive competes is extremely competitive, and that Preventive expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, Preventive and Employee understand Employee will learn a great deal of information through his/her employment with Preventive, yet Preventive seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of Employee's employment with Preventive would jeopardize Preventive's relationship with existing clients; and

WHEREAS, Employee through his/her employment will be exposed to Preventive accounts, client lists, contract terms and other proprietary information regarding its clients' accounts, and its operations; and

WHEREAS, Employee recognizes the importance of his/her abiding by this Agreement to Preventive's ability to protect its proprietary business information and the proprietary information of its clients which is essential to the continued existence of Preventive's business; and

WHEREAS, Employee recognizes Preventive's restrictions on his/her future activity for a stated time are necessary to protect Preventive's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of Preventive's business; and

Predictive Machinery Vibration Programs • Vibration Analysis • Dynamic Balancing • Infrared Thermography • Oil Analysis

Corporate
2500 West Estes Avenue
Elk Grove Village, Illinois 60007

<u>Wisconsin</u>
5224 Heffron Court
Stevens Point, Wisconsin 54481

Page 2 of 7

WHEREAS, if Employee were to act in violation of this Agreement, Preventive could not be adequately compensated for any such breach and any such breach of this Agreement will cause irreparable injury to Preventive; and

WHEREAS, Employee and Preventive acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves Preventive's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that Preventive will employ, or continue to employ Employee, and will expose or continue to expose Employee to Preventive's proprietary and confidential business information, and Employee will continue service to Preventive, acting in good faith and in Preventive's interests, the parties hereto agree as follows:

1. PREVENTIVE'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, client reports, and work papers, shall at all times remain the sole property of Preventive. Employee acknowledges that the information contained in the tangible property is a valuable asset of Preventive's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or permit any of the same to be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under Upon the demand of Preventive, at any lock and key. time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to Preventive. Employee covenants that he/she will provide Preventive's tangible property to any competitor of Preventive nor use Preventive's tangible property in furtherance of the business of any competitor of Preventive.

2. PREVENTIVE'S CONFIDENTIAL AND PROPRIETARY INFORMATION

 All information imparted to Employee by Preventive, or otherwise obtained by Employee, at any time, relating to Preventive's methods of doing business; valuation methods; computer programs; business Page 3 of 7

ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; and any other client data, is revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of Preventive. Employee shall not, at any time, either during or after employment with Preventive, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of Preventive. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances, Employee shall promptly tender to Preventive all lists, records, work papers, reports and other documents in Employee's possession or control relating to any clients or the business of Preventive.

b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an employee of Preventive, regarding any proprietary information belonging to any of Preventive's clients, including but not limited to any client's methods or processes of production, pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of Preventive.

3. PROHIBITIONS REGARDING PREVENTIVE'S PROPRIETARY BUSINESS INFORMATION

It is understood and agreed by Employee that all business relationships and goodwill now existing with respect to the clients of Preventive, whether or not created by Employee, and all such relationships and goodwill which may hereafter be created enhanced, at all time remain the sole property of Accordingly, Employee agrees that Preventive. during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with Preventive, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by Preventive to any client for which Preventive or its Employee has rendered services or to any prospective client that Employee Page 4 of 7

has solicited to provide services of the sort provided by Preventive or about whom Employee has learned confidential information during the twelve (12) months preceding Employee's separation from Preventive; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

- Due to the confidential nature of the proprietary b. information and the considerable amount of money, expended to develop such effort proprietary information, and due to Preventive's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and proprietary information outside of Preventive's employment would unduly prejudice Preventive's relationship with existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with Preventive, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of Preventive to leave Preventive's employ for any employment in a line of business similar to that conducted by Preventive in locations where Preventive services clients, or locations where Preventive has solicited clients within the twelve, (12) months preceding Employee's will Employee, directly termination; nor indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of Preventive for any employment in a line of business similar to that conducted by Preventive in the aforesaid locations.
- c. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information to which Employee will be exposed, and with the understanding that the Employee's use of such proprietary information outside of Preventive's employment would unduly prejudice Preventive's relationship with existing clients, Employee agrees during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with Preventive that Employee will not under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other

Page 5 of 7

capacity compete with Preventive by soliciting, selling or rendering services of the sort provided by Preventive to any individual or entity that has a business location in the locations serviced or solicited by Preventive within the twelve (12) months preceding Employee's termination nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with Preventive.

5. AMENDMENT

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of Preventive.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. SEPARABILITY AND MODIFICATION

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

Page 7 of 7

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the laws of the State of Illinois. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

11. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

PREVENTIVE MAINTENANCE COMPANY, INC.

By: STEPHEN 6 WARRHAM / Styl 1- Wareh
Its: DIRECTOR OF DERRATIONS
Date: 6-10-98

EMPLOYEE

Its: UIBRATION TECHNICIAN

Date: <u>5-10-98</u>

EXHIBIT K



July 10, 2008

Megan M. Rowe Direct Dial: (612) 604-6711 Direct Fax: (612) 604-6911 mrowe@winthrop.com

VIA FACSIMILE AND U.S. MAIL

Mr. Stephen J. Sundheim Pepper Hamilton LLP 3000 Two Logan Square Philadelphia, Pennsylvania 19103-2799

RE: Dale Bjerkness and Kevin Koch

Dear Mr. Sundheim:

As you are aware, Winthrop & Weinstine, P.A. represents Dale Bjerkness ("Mr. Bjerkness") and Kevin Koch ("Mr. Koch"). This letter is in response to your letters to Messrs. Bjerkness and Koch regarding their Agreements with Preventative Maintenance Company, Inc. ("PMCI") (the "PMCI Agreements") and their Employee Invention, Patent and Secrecy Agreements (the "SKF Agreements") with SKF USA, Inc. ("SKF") (collectively, the PMCI and SKF Agreements shall be referred to as the "Agreements"). As will be further set forth herein, Messrs. Bjerkness and Koch are: (i) not bound by the PMCI Agreements; (ii) not in violation of any non-competition,

non-solicitation, or non-recruitment provisions of the PMCI Agreements; and (iii) not in

violation of any other duties or obligations due to SKF.

Among other things, based upon the conduct of SKF representatives, the PMCI Agreements are not enforceable against either Mr. Bierkness or Mr. Koch. Specifically, when Mr. Bierkness was

not enforceable against either Mr. Bjerkness or Mr. Koch. Specifically, when Mr. Bjerkness was asked to enter into the SKF Agreement, Human Resources at SKF advised him that the SKF Agreement superseded the PMCI Agreement and that the PMCI Agreement was no longer in effect. This was later confirmed by Mr. Bjerkness's supervisor, Bart Bartholomew ("Mr. Bartholomew"), Vice President of SKF USA North America Operations, who affirmed to Mr. Bjerkness that the SKF Agreements superseded the PMCI Agreements. We are also aware that there may be internal SKF communications which advise that the PMCI Agreements supersede the SKF Agreements and further direct SKF Human Resources that new hires should no longer be asked to sign agreements that contain restrictive covenants. In line with this correspondence, we have credible evidence that SKF does not currently require new hires to sign non-competition agreements even though such individuals have access to the same confidential information as those who signed the PMCI Agreements that SKF now wishes to enforce.

In addition, Mr. Bartholomew's actions following Mr. Bjerkness's resignation from SKF further establish that SKF knew the PMCI agreements were no longer enforceable. After Mr. Bjerkness's resignation from SKF, Mr. Bartholomew asked Mr. Bjerkness whether he would sign a one-year non-competition agreement if Mr. Bartholomew offered cash as consideration.

Suits 3500 : 225 South Sixth Sixed | Minnespolis, MN 55402-4629 | Main; (612)604-6400 | Fax. (612)604-6600 | www.wiminop.com | A Professional Association

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Mr. Stephen J. Sundheim July 10, 2008 Page 2

When Mr. Bjerkness declined, Mr. Bartholomew again asked if Mr. Bjerkness would sign a non-competition agreement if Mr. Bartholomew would continue to pay Mr. Bjerkness his salary for one year. In doing so, Mr. Bartholomew recognized that Mr. Bjerkness was not, at that time, bound by the non-competition provision (or any other provisions) in the PMCI Agreement. Mr. Bartholomew further told Mr. Bjerkness that if he was going to start a new business to let him know, as he was interested in joining Mr. Bjerkness. Moreover, when Messrs. Bjerkness or Koch left SKF, no one at SKF, including Mr. Bartholomew, ever reminded them of any continuing obligations to SKF. In sum, for these and other reasons, based on SKF's representations to Messrs. Bjerkness and Koch, we believe the PMCI Agreements are no longer effective, and neither Mr. Bjerkness nor Mr. Koch are bound by the PMCI Agreements' restrictive covenants.

Assuming, arguendo, that the PMCI Agreements were not superseded by the SKF Agreements, Messrs. Bjerkness and Koch still are not bound by the non-competition, non-solicitation, and non-recruitment provisions in the PMCI Agreements because those terms of the PMCI Agreements merged into the SKF Agreements, which do not contain any restrictive covenants. The PMCI and SKF Agreements contemplate the same subject matter (post-employment obligations regarding confidentiality during and after the term of his employment), but unlike the PMCI Agreements, the SKF Agreements do not contain any restrictive covenants. Because the PMCI Agreements include restrictive covenants along with the confidentiality provisions, it makes sense that if SKF had intended for Mr. Bjerkness and Mr. Koch to continue to be bound by the restrictive covenants, it would have included such provisions in the SKF Agreements or, at a minimum, reminded Messrs. Bjerkness and Koch of their continued obligations under the restrictive covenants at the time they signed the SKF Agreements. No such language appears in the SKF Agreements, and no one at SKF reminded Messrs. Bjerkness or Koch of those obligations at any time during their SKF employment or upon their resignations from SKF. To be sure, quite the opposite is true. SKF told Messrs. Bjerkness and Koch that their PMCI Agreements were superseded by the SKF Agreements (which do not contain restrictive covenants) and, consequently, were no longer in effect.

Based on representations made by SKF, when Messrs. Bjerkness and Koch resigned from SKF, they believed they were bound only by the language of the SKF Agreements. In addition, Mssrs. Bjerkness and Koch ended their employment with SKF only when their employment situations at SKF deteriorated to the point at which they believed they had no other options. By way of example, SKF repeatedly failed to honor promises to solidify a compensation plan for Mr. Bjerkness and then consistently failed to pay commissions promised to him. To date, SKF still owes Mr. Bjerkness approximately \$12,000.00 in earned but unpaid commissions. During his employment with SKF, Mr. Bjerkness made every effort to work with SKF so his tenure with SKF could be long and successful. However, when SKF consistently failed over a period of

¹ Additionally, Mr. Bjerkness still has not received payment for approximately six (6) days of accrued but unused vacation that is owed to him, which we value at approximately \$2900.00. With this letter, Mr. Bjerkness formally reiterates his previous demands for payment of all accrued but unused vacation and all earned and unpaid commissions. You should know that failure to pay accrued but unused vacation and earned but unpaid commissions can subject employers to significant penalties under Minnesota law.

Mr. Stephen J. Sundheim July 10, 2008 Page 3

more than one year to provide him with a compensation plan or pay commissions owed to him, Mr. Bjerkness determined SKF would not pay him the money owed to him, felt that he had to pursue avenues that would allow him to earn a living, and decided to end his SKF employment. Based on representations made by SKF, he believed he was bound by only the terms of his SKF Agreement. He was, and continues to be, mindful of the terms of the SKF Agreement; he has not and will not divulge any confidential, proprietary, or trade secret information of SKF.

Finally, you have requested that Mr. Bjerkness return all SKF property in his possession. Mr. Bjerkness does not currently have any SKF property in his possession. During a conversation last week between Mr. Bjerkness and SKF Human Resources Representative Steve Wareham ("Mr. Wareham"), Mr. Wareham confirmed that Mr. Bjerkness had returned all SKF property to SKF since his resignation and that Mr. Bjerkness does not need to return any additional property to SKF. If you believe that Mr. Bjerkness is still in possession of certain SKF property, please specify the SKF property you claim is in Bjerkness's possession.

In sum, we do not believe that Messrs. Bjerkness or Koch have violated any contractual or other legal obligations to SKF. Messrs. Bjerkness and Koch are bound only by the terms of the SKF Agreements, and they have complied with the terms of the SKF Agreements. Neither has disclosed or used any confidential, proprietary, or trade secret information of SKF in an unauthorized manner, and they shall continue to keep that information confidential. I trust that this letter adequately addresses SKF's concerns regarding Messrs. Bjerkness. Please do not hesitate to contact me if you wish to discuss this matter further.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

cc:

Dale Bjerkness Kevin Koch Laura A. Pfeiffer, Esq.

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P.04

EXHIBIT L

Pepper Hamilt

3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103-2799 215.981.4000 Fax 215.981.4750

Stephen J. Sundheim direct dial: 215.981.4576 direct fax: 866.738.9612 sundheims@pepperlaw.com

July 17, 2008

Via Federal Express

Mr. Walter G. Remick, Jr. 1200 Augusta Drive NE Bemidji, MN 56601

> Re: Your Violation of Your SKF and PMCI Agreements

Dear Mr. Remick:

Our firm represents SKF USA Inc. ("SKF"). SKF has learned that you have accepted employment with Dale Bjerkness or a company operated by Mr. Bjerkness called Equipment Reliability Services, Inc., and that you are engaged in a business that competes with the business that you engaged in for SKF. This letter is to remind you of your obligations to SKF and inform you that SKF will enforce its rights under the "Employee Invention, Patent and Secrecy Agreement" you executed on January 4, 2007, your Agreement with PMCI that SKF assumed when it purchased PMCI in 2007, and the applicable trade secrets statutes. A copy of the agreements you signed are enclosed.

Among other things, your agreements, including your PMCI Agreement that, according to its terms, was assigned to SKF on the sale of PMCI to SKF in 2007,

- 1. prohibit you from using or disclosing SKF's trade secrets, proprietary information or confidential business information;
- 2. require that you return all of SKF's property upon termination of your SKF employment;
- 3. prohibit you for two years from your termination from soliciting business from or providing services to customers to whom you have rendered services or from prospective clients that you solicited to provide services during the 12 months preceding your termination;

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Pepper Hamilton LLP

Mr. Walter G. Remick, Jr. Page 2 July 17, 2008

- 4. prohibit you for two years from soliciting or inducing any employee to leave employment with SKF (or PMCI) to work in a business similar to that of PMCI (or SKF after the sale of PMCI); and
- 5. prohibit you for two years from competing with SKF by providing services of the type provided by PMCI (or SKF after it purchased PMCI) within 12 months of your termination.

SKF is very concerned that you be fully aware of you obligations under these agreements and that you know that SKF will take all steps necessary to address any breaches of your contractual and other legal obligations. If warranted, SKF will seek an injunction and money damages to ensure that you do not attempt to do business with its customers or prospective customers, solicit its employees to join your new employer, or use its confidential or proprietary information or trades secrets or otherwise violate the agreements and that you return all of its property.

This letter is not intended to replace or limit the obligations under the agreements in any way. I am sure that you understand that SKF takes these commitments seriously and will enforce its rights if you do not honor them.

Please provide this letter to your attorney if you have one. If you do not have an attorney, you may wish to consult one. In any event, please advise me by Wednesday, July 23, whether the information I have described above is incorrect and whether you will honor the terms of your agreements. If I do not hear from you by then, I will assume that the information is correct, that you are violating the agreements, and that you will continue to do so. In that event, we will pursue all of our legal remedies on behalf of SKF. I would be willing to confer with you or your attorney if you have any questions.

SJS:skr Enclosures

SKF USA Inc.				
Name Wayson Fronge Konnight (Type or print full name - no initials)	Date of Birth 7/23/75			
Employed by Ovision or subsidiary company)	At Stars Sout W (City and State)			
Occupation RELIABILTY ENGINEER	Date Employed 1-19-15			
Effective Date of this Agreement (If employment begins in an occupation requiring this agreement, enter dotherwise enter date of transfer to occupation re	ate employed as effective date of this agreement.			
Employee Invention, Patent and Secrecy Agreement				
Agreement made by and between SKF USA Inc. a Corporation	on of Delaware (hereinafter called SKF) and			
WEUGER Fronge Komick of 1200	ALGUSTA DR NE BEMIDS, MN			
Name (hereinafter caffed the Employee)	Address			
In consideration of the covenants herein recited, of the Employee sation paid by SKF to Employee, it is agreed that: 1. The Employee will and does assign to SKF all inventions and employ or with the use of SKF's time, material, equipment or facilities therefor, machines, tools, devices, equipment or processes useful or p and any other line of business or business activity in which SKF is enotained whereon, in this and all foreign countries; and upon request the SKF and after its termination for any reason; execute all proper paper such United States and foreign patents as SKF may desire, and will exe so requested, but at the expense of SKF. Employee will give SKF approsecution of such patent applications and in defense of any patents grounded by the Employee prior to his employment by SKF and as such Employers to prosecute, manufacture, use and/or sell as he or they may 3. The Employee recognizes the vital importance of maintaining business matters. Therefore, Employee agrees that he will not in any without SKF's written approval, disclose or publish to any unauthorize etary information, trade secrets and confidential business matters, included sequences, equipment, research items and results, drawings, prints, programs. All documents, memoranda, reports, prints, and drawings, items, are the sole and entire property of SKF which Employee will swith SKF; Employee will certify, upon request, to such surrender. Wherever SKF or SKF USA Inc. shall appear herein, the same slassigns of SKF USA Inc.	improvements made or conceived by him while in its relating to anti-friction bearings, parts or accessories ertaining to, or connected with anti-friction bearings gaged together with such patent or patents as may be by SKF, will at any time during his employment with rs for use in applying for, obtaining and maintaining scute and deliver all proper assignments thereof, when such assistance as he is capable with respect to the anted, including evidence in any proceeding. I on the pages attached to this agreement were conare the property of the Employee and/or his previous desire. If the secrecy of SKF's trade secrets and confidential ray during his employment and at any time thereafter, deprivation of the property of the secret processes, formulae, customer lists, costs, technical sales and marketing including all copies thereof in respect of the above arrender to SKF upon any termination of employment			
IN WITNESS WHEREOF, SKF USA Inc. has caused these prese his hand and seal this day of 0 3	3 , 20 <u>0</u> 8			
1/4 / 1/6/	SKF USA Inc.			
Employee To The Employee To Th	Timethy & Sifford			
LATM	June (il)			
Witness for Employee	Attest for General Counsel (seal)			



www.pmcisystems.com

Corporate

2500 Estes Avenue Elk Grove Village, IL 60007

Ph: 800-222-PMCI Fax: 847-956-8761 Northern Region

5224 Heffron Court Stevens Point, WI 54481

Ph: 888-444-PMCI Fax: 715-342-9053



AGREEMENT

THIS AGREEMENT is entered into at Elk Grove Village, Illinois this $i6^{\text{H}}$ day of 5000, 60, by and between PREVENTIVE MAINTENANCE COMPANY, INC. (hereinafter referred to as "PMCI") and Wourse)Zam.uk (hereinafter referred to as "Employee").

RECITALS:

WHEREAS, Employee is assuming a position of employment with PMCI as a , which will expose Employee to PMCI's tangible and intangible property, including confidential information, and other proprietary business information and which will expose Employee to proprietary information belonging to PMCI's clients which Employee will be entrusted to maintain as highly confidential: and

WHEREAS, PMCI and Employee hereby acknowledge that the industry in which PMCI competes is extremely competitive, and that PMCI expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, PMCI and Employee understand Employee will learn a great deal of information through his/her employment with PMCI, yet PMCI seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of Employee's employment with PMCI would jeopardize PMCI's relationship with existing and newly acquired clients and client prospects; and

WHEREAS, Employee through his/her employment will be exposed to FMCI accounts, client lists, contract terms, prospective client lists and other proprietary information regarding its clients' accounts, and its operations; and

Predictive Machinery Vibration Programs

Vibration Analysis

Dynamic Balancing

Infrared Inspections

Predictive Technology Services

Ultrasound Inspections

Machine Tool & Spindle Analysis

Laser Analysis

Emergency Services

Page 2 of 8

WHEREAS, Employee recognizes the importance of his/her abiding by this Agreement to PMCI's ability to protect its proprietary business information and the proprietary information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, Employee recognizes PMCI's restrictions on his/her future activity for a stated time are necessary to protect PMCI's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, if Employee were to act in violation of this Agreement, PMCI could not be adequately compensated for any such breach by money damages and any such breach of this Agreement will cause irreparable injury to PMCI; and

WHEREAS, Employee and PMCI acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves PMCI's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that PMCI will employ, or continue to employ Employee, and will expose or continue to expose Employee to PMCI's proprietary and confidential business information, and Employee will continue service to PMCI, acting in good faith and in PMCI's interests, the parties hereto agree as follows:

1. PMCI'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, prospective client lists, client reports, and work papers, shall at all times remain the sole property of PMCI. Employee acknowledges that the information contained in the tangible property is a valuable asset of PMCI's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or

Page 3 of 8

permit any of the same to be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under lock and key. Upon the demand of PMCI, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to PMCI. Employee covenants that he/she will not provide PMCI's tangible property to any competitor of PMCI nor use PMCI's tangible property or the information contained therein in furtherance of the business of any competitor of PMCI.

2. PMCI'S CONFIDENTIAL AND PROPRIETARY INFORMATION

All information imparted to Employee by PMCI, or a. otherwise obtained by Employee, at any time, relating PMCI's methods of doing business; valuation methods; computer programs; business ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; prospective client lists; and any other client data, is revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of PMCI. Employee shall not, at any time, either during or after employment with PMCI, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances, Employee shall promptly tender to PMCI all lists, records, work papers, reports and other documents in Employee's possession or control relating to any clients, prospective clients or the business of PMCI.

Page 4 of 8

b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an employee of PMCI, regarding any proprietary information belonging to any of PMCI's clients, including but not limited to any client's methods or processes of production, pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI.

3. PROHIBITIONS REGARDING PMCI'S PROPRIETARY BUSINESS INFORMATION

It is understood and agreed by Employee that all business relationships and goodwill now existing with respect to the clients of PMCI, whether or not created by Employee, and all such relationships and goodwill which may hereafter be created or enhanced, at all time remain the sole property of PMCI. Accordingly, Employee agrees that during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by PMCI to any client for which PMCI or its Employee has rendered services or to any prospective client that Employee has solicited to provide services of the sort provided by PMCI or about whom Employee has learned confidential information during twelve (12) months preceding Employee's the separation from PMCI; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

Page 5 of 8

- Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information, and due to PMCI's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of PMCI to leave PMCI's employ for any employment in a line of business similar to that conducted by PMCI in locations where PMCI services clients, or locations where PMCI has solicited clients within the twelve, (12) months preceding Employee's termination; nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of PMCI for any employment in a line of business similar to that conducted by PMCI in the aforesaid locations.
- c. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information to which Employee will be exposed, and with the understanding that the Employee's use of such proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI that Employee will not under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer,

Page 6 of 8

trustee, principal, agent, servant, employee or in any other capacity compete with PMCI by soliciting, selling or rendering services of the sort provided by PMCI to any individual or entity that has a business location in the locations serviced or solicited by PMCI within the twelve (12) months preceding Employee's termination nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with PMCI.

5. AMENDMENT

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of PMCI.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. SEPARABILITY AND MODIFICATION

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be

Page 7 of 8

deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the substantive laws of the State of Illinois without reference to the choice of law provisions of Illinois or any other state. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

11. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. EMPLOYMENT

Nothing in this Agreement is meant to alter the "at will nature" of employment.

Page 8 of 8

13. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

EMPLOYEE

By: Its:

Date:

PREVENTIVE MAINTENANCE COMPANY, INC.

Its:

Date:

EXHIBIT M

Pepper Hamilton LLP

3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103-2799 215.981.4000 Fax 215.981.4750

Stephen J. Sundheim direct dial: 215.981.4576 direct fax: 866.738.9612 sundheims@pepperlaw.com

July 23 2008

Via Federal Express

Joseph J. Sever 11751 W. River Hills Drive Burnsville, MN 55337

Re: Your Violation of Your SKF and PMCI Agreements

Dear Mr. Sever:

Our firm represents SKF USA Inc. ("SKF"). SKF has learned that you have accepted employment with Dale Bjerkness or a company operated by Mr. Bjerkness called Equipment Reliability Services, Inc., and that you are engaged in a business that competes with the business that you engaged in for SKF. This letter is to remind you of your obligations to SKF and inform you that SKF will enforce its rights under the "Employee Invention, Patent and Secrecy Agreement" you executed on January 4, 2007; your Agreement with PMCI that SKF assumed when it purchased PMCI in 2007; and the applicable trade secrets statutes. A copy of the agreements you signed are enclosed.

Among other things, your agreements, including your PMCI Agreement that, according to its terms, was assigned to SKF on the sale of PMCI to SKF in 2007,

- 1. prohibit you from using or disclosing SKF's trade secrets, proprietary information or confidential business information:
- require that you return all of SKF's property upon termination of your SKF employment;
- 3. prohibit you for two years from your termination from soliciting business from or providing services to customers to whom you have rendered services or from prospective clients that you solicited to provide services during the 12 months preceding your termination;

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Berwyn Hatrisburg Orange County Princeton Wilmington

Pepper Hamilton LLP

Joseph J. Sever Page 2 July 23, 2008

- 4. prohibit you for two years from soliciting or inducing any employee to leave employment with SKF (or PMCI) to work in a business similar to that of PMCI (or SKF after the sale of PMCI); and
- 5. prohibit you for two years from competing with SKF by providing services of the type provided by PMCI (or SKF after it purchased PMCI) within 12 months of your termination.

SKF is very concerned that you be fully aware of you obligations under these agreements and that you know that SKF will take all steps necessary to address any breaches of your contractual and other legal obligations. If warranted, SKF will seek an injunction and money damages to ensure that you do not attempt to do business with its customers or prospective customers, solicit its employees to join your new employer, or use its confidential or proprietary information or trades secrets or otherwise violate the agreements and that you return all of its property.

This letter is not intended to replace or limit the obligations under the agreements in any way. I am sure that you understand that SKF takes these commitments seriously and will enforce its rights if you do not honor them.

Please provide this letter to your attorney if you have one. If you do not have an attorney, you may wish to consult one. In any event, please advise me by Wednesday, July 29, whether the information I have described above is incorrect and whether you will honor the terms of your agreements. If I do not hear from you by then, I will assume that the information is correct, that you are violating the agreements, and that you will continue to do so. In that event, we will pursue all of our legal remedies on behalf of SKF. I would be willing to confer with you or your attorney if you have any questions.

SJS:skr Enclosures

SKF USA Inc.	
Name South Service (Type or print full name - no initials)	Date of Birth 06-9-99
Employed by SKFOULPSVILLE (Division or subsidiary company)	ALETEVENS POINT, W
Occupation RELIABILITY ENGINEER	Date Employed 04 - 07 - 200
Effective Date of this Agreement 03-06-1508	
(If employment begins in an occupation requiring this agreement, enter date Otherwise enter date of transfer to occupation require	employed as effective date of this agreement. ring this agreement).
Employee Invention, Patent and Secrecy Agreement	
Agreement made by and botween SKF USA Inc. a Corporation of	of Delaware (hereinafter called SKF) and
THE STATE OF THE S	15 BURNSVILLE MN
Witnesseth: In consideration of the covenants herein recited, of the Employee's assign paid by SKF to Employee, it is agreed that:	5537
sation paid by SKF to Employee, it is agreed that: 1. The Employee will and does agreed that:	urmation and activities with SKF and the compen-
I. The Employee will and does assign to SKF all inventions and impemploy or with the use of SKF's time, material, equipment or facilities relaterefor, machines, tools, devices, equipment or processes useful or pertagonal and any other line of business or business activity in which SKF is engagonated whereon, in this and all foreign countries; and upon request by SKF and after its termination for any reason; execute all proper papers for such United States and foreign patents as SKF may desire, and will execute the prosecution of such patent applications and in defense of any patents granted 2. SKF recognizes that the patents or ideas listed and explained on the explosive prior to his employment by SKF and as such are derived by the Employee prior to his employment by SKF and as such are derived by the Employee recognizes the vital importance of maintaining the patents. Therefore, Employee agrees that he will not in any way of the explosion of the second property information, trade secrets and confidential business matters, including equences, equipment, research items and results, drawings, prints, customograms. All documents, memoranda, reports, prints, and drawings, including the sole and entire property of SKF which Employee will surrent with SKF; Employee will certify, upon request, to such surrender. Wherever SKF or SKF USA Inc. shall appear herein, the same shall is ssigns of SKF USA Inc.	ating to anti-triction bearings, parts or accessories tining to, or connected with anti-friction bearings ed together with such patent or patents as may be KF, will at any time during his employment with or use in applying for, obtaining and maintaining and deliver all proper assignments thereof, when assistance as he is capable with respect to the id, including evidence in any proceeding. In the pages attached to this agreement were conthe property of the Employee and/or his previous ire. The secrecy of SKF's trade secrets and confidential during his employment and at any time thereafter, aron, firm or corporation any technical or proprige but not limited to, secret processes, formulae, omer lists, costs, technical sales and marketing uding all copies thereof in respect of the above der to SKF upon any termination of employment include the divisions, subsidiaries, successors and
IN WITNESS WHEREOF SKF USA Inc. has caused these presents to shand and seal this day of	be executed and the Employee has hereunto set
Sm. /	SKF USA Inc.
Time	May & Hifford
Mul	James of Mai
Witness for Employee	Attest for General Counsel (seal)



Est 1970

Corporate

2500 Estes Avenue Elk Grove Village, IL 60007

Northern Region 5224 Heffron Court Stevens Point, WI 54481

Ph: 800-222-PMCI Ph: 888-444-PMCI Fax: 847-956-8761 Fax: 715-342-9053

ISO 9002

Ph: 888-444-PMCI ISO 900: Fax: 715-342-9053 Certificate #A4

AGREEMENT

THIS AGREEMENT is entered into at Elk Grove Village, Illinois this 7 day of Apell, 03, by and between PREVENTIVE MAINTENANCE COMPANY, INC. (hereinafter referred to as "PMCI") and 06 Seve (hereinafter referred to as "Employee").

RECITALS:

WHEREAS, Employee is assuming a position of employment with PMCI as a TECHNICIAN, which will expose Employee to PMCI's tangible and intangible property, including confidential information, and other proprietary business information and which will expose Employee to proprietary information belonging to PMCI's clients which Employee will be entrusted to maintain as highly confidential; and

WHEREAS, PMCI and Employee hereby acknowledge that the industry in which PMCI competes is extremely competitive, and that PMCI expends substantial money, time, effort and other resources to develop and maintain its client lists and client relationships which, once acquired, are generally of a continuing and permanent nature; and

WHEREAS, PMCI and Employee understand Employee will learn a great deal of information through his/her employment with PMCI, yet PMCI seeks only to preserve the confidentiality of certain property and information, which if used outside the scope of Employee's employment with PMCI would jeopardize PMCI's relationship with existing and newly acquired clients and client prospects; and

WHEREAS, Employee through his/her employment will be exposed to PMCI accounts, client lists, contract terms, prospective client lists and other proprietary information regarding its clients' accounts, and its operations; and

WHEREAS, Employee recognizes the importance of his/her abiding by this Agreement to PMCI's ability to protect its proprietary business information and the proprietary information

Predictive Machinery Vibration Programs

Vibration Analysis

Dynamic Balancing

Infrared Inspections

Predictive Technology Services

Ultrasound Inspections

Machine Tool & Spindle Analysis

Laser Analysis

Emergency Services

Page 2 of 8

of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, Employee recognizes PMCI's restrictions on his/her future activity for a stated time are necessary to protect PMCI's interests in its proprietary business information and the proprietary business information of its clients which is essential to the continued existence of PMCI's business; and

WHEREAS, if Employee were to act in violation of this Agreement, PMCI could not be adequately compensated for any such breach by money damages and any such breach of this Agreement will cause irreparable injury to PMCI; and

WHEREAS, Employee and PMCI acknowledge that the restrictions of this Agreement apply regardless of whether Employee voluntarily or involuntarily leaves PMCI's employ (both of which are hereinafter referenced to as "termination of Employee's employment").

NOW, THEREFORE, in consideration of the foregoing recitals and of the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, including without limitations the fact that PMCI will employ, or continue to employ Employee, and will expose or continue to expose Employee to PMCI's proprietary and confidential business information, and Employee will continue service to PMCI, acting in good faith and in PMCI's interests, the parties hereto agree as follows:

1. PMCI'S PROPERTY

All tangible items furnished to or created by Employee from time to time in connection with the performance of Employee's duties, including but not limited to client lists, procedures manuals, proposal materials, prospective client lists, client reports, and work papers, shall at all times remain the sole property of PMCI. Employee acknowledges that the information contained in the tangible property is a valuable asset of PMCI's business and is highly confidential. Employee shall not duplicate tangible items. They are provided to Employee for the limited purpose of enabling the Employee to perform duties of employment, and Employee hereby covenants not to use or permit any of the same to

Page 3 of 8

be used for any other purpose. When the tangible items are not being used by Employee in furtherance of his employment, they shall be kept under lock and key. Upon the demand of PMCI, at any time or upon the termination of employment under any circumstances, Employee shall promptly tender all such items to PMCI. Employee covenants that he/she will not provide PMCI's tangible property to any competitor of PMCI nor use PMCI's tangible property or the information contained therein in furtherance of the business of any competitor of PMCI.

2. PMCI'S CONFIDENTIAL AND PROPRIETARY INFORMATION

- All information imparted to Employee by PMCI, or otherwise obtained by Employee, at any time, relating to PMCI's methods of doing business; valuation methods; computer programs; business ideas; billing procedures; pricing and commission data; client names and lists; client needs and requirements; client servicing methods; prospective client lists; and any other client data, is revealed and entrusted to Employee, in confidence, solely in connection with and for the purpose of employment on behalf of PMCI. Employee shall not, at any time, either during or after employment with PMCI, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI. Without limiting the generality of the foregoing, upon the termination of employment, under any circumstances, Employee shall promptly tender to PMCI all lists, records, work papers, reports and other documents in Employee's possession or control relating to any clients, prospective clients or the business of PMCI.
- b. Further, Employee promises to maintain as confidential all information Employee may obtain, learn or be entrusted with as an employee of PMCI, regarding any proprietary information belonging to any of PMCI's clients, including but not limited to any client's methods or processes of production,

Page 4 of 8

pricing, marketing, servicing of research and development. Employee shall not, at any time, either during or after the term of employment, divulge any of this information to any other person, firm, or entity, nor use or permit the use of any of it, other than pursuant to Employee's employment on behalf of PMCI.

3. PROHIBITIONS REGARDING PMCI'S PROPRIETARY BUSINESS INFORMATION

- It is understood and agreed by Employee that all business relationships and goodwill now existing with respect to the clients of PMCI, whether or not created by Employee, and all such relationships and goodwill which may hereafter be created or enhanced, at all time remain the sole property of PMCI. Accordingly, Employee agrees that during the term of this Agreement and for a further period of two years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer. trustee, principal, agent, servant, employee or in any other capacity whatsoever, directly or indirectly, solicit business or sell or render services of the sort provided by PMCI to any client for which PMCI or its Employee has rendered services or to any prospective client that Employee has solicited to provide services of the sort provided by PMCI or about whom Employee has learned confidential information during the twelve (12) months preceding Employee's separation from PMCI; nor shall Employee, directly or indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.
- b. Due to the confidential nature of the proprietary information and the considerable amount of money, time and effort expended to develop such proprietary information, and due to PMCI's considerable investment in training employees and allowing them access to confidential and proprietary information, and with the understanding that the Employees' use of such training and

Page 5 of 8

proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees that during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI, Employee shall not, under any circumstances, as proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee, or in any capacity whatever, directly or indirectly, solicit or induce any employee of PMCI to leave PMCI's employ for any employment in a line of business similar to that conducted by PMCI in locations where PMCI services clients, or locations where PMCI has solicited clients within the twelve, (12) months preceding Employee's termination; nor will Employee, directly or indirectly, aid or assist any other person, firm or corporation to solicit or induce any employee of PMCI for any employment in a line of business similar to that conducted by PMCI in the aforesaid locations.

Due to the confidential nature of the proprietary information and the considerable amount of money, and effort expended to develop proprietary information to which Employee will be exposed, and with the understanding that Employee's use of such proprietary information outside of PMCI's employment would unduly prejudice PMCI's relationship with existing clients, Employee agrees during the term of this Agreement and for a further period of two (2) years beginning on the termination of Employee's employment with PMCI that Employee will not under any circumstances, proprietor, partner, joint venturer, stockholder, director, officer, trustee, principal, agent, servant, employee or in any other capacity compete with PMCI by soliciting, selling or rendering services of the sort provided by PMCI to any individual or entity that has a business location in the locations serviced or solicited by PMCI within the twelve (12) months preceding Employee's termination nor will Employee, directly or

Page 6 of 8

indirectly, aid or assist any other person, firm or corporation to do any of the aforesaid acts.

d. The provisions of this Paragraph 3 shall be in addition to, and shall not in any way be deemed limited or restricted by, the provisions of any other Paragraph of this Agreement.

4. ENTIRE AGREEMENT

These written Restrictive Covenants constitute the entire agreement of the parties with respect to the subject matter hereof and there are no prior or contemporaneous oral or written representations, promises, or agreements not expressed or referred to herein other than the singular exception of Employee's interim agreement to enter into some form of restrictive agreement in consideration of being offered a position with PMCI.

5. <u>AMENDMENT</u>

This Agreement may be amended only in writing and only if such writing is signed by Employee and by the President of PMCI.

6. SURVIVAL OF PROVISIONS

Any provision of this Agreement, which by terms or reasonable implication is to be or may be performed or effective after the termination of the Agreement, shall be deemed to survive such termination.

7. SEPARABILITY AND MODIFICATION

If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, or as applied to any circumstance, under the laws of any jurisdiction which may govern for such purpose, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, either generally or as applied to such circumstance, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent

Page 7 of 8

permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be.

8. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors, and assigns, provided that this Agreement is not assignable by employee.

9. PARAGRAPH HEADINGS

Paragraph headings are for convenience of reference only and shall not be deemed part of this Agreement.

10. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed in all respects by the substantive laws of the State of Illinois without reference to the choice of law provisions of Illinois or any other state. Any disputes arising under this Agreement shall be tried in the Courts sitting within the State of Illinois, and Employee hereby consents and submits his or her person to the jurisdiction of any such Court for such purpose.

11. COUNTERPARTS

This Agreement may be executed in any number of identical counterparts, each of which shall be deemed a duplicate original, and all of which together shall constitute but one and the same agreement.

12. CONSULTATION WITH COUNSEL

By executing this Agreement, Employee expressly represents that he or she has read it, understands its terms and has had the opportunity (whether exercised or not) to consult with legal counsel regarding it.

Page 8 of 8

IN WITNESS WHEREOF, the parties have set their hands and seals and have caused this Agreement to be executed the day and year first above written.

EMPLOYEE

Date:

PREVENTIVE MAINTENANCE COMPANY, INC.

Its:

Date:

EXHIBIT N

ATTORNEYS AND COUNSELORS AT LAW

July 23, 2008

Megan M. Ruwe Direct Dial: (612) 604-6711 Direct Fax: (612) 604-6911 mruwe@winthrop.com

VIA FACSIMILE AND U.S. MAIL

Mr. Stephen J. Sundheim Pepper Hamilton LLP 3000 Two Logan Square Philadelphia, Pennsylvania 19103-2799

RE: Walter G. Remick, Jr.

Dear Mr. Sundheim:

Winthrop & Weinstine, P.A. represents Walter G. Remick, Jr. ("Mr. Remick"). This letter is in response to your letter to Mr. Remick regarding the Agreements with Preventative Maintenance Company, Inc. ("PMCI") (the "PMCI Agreement") and the Employee Invention, Patent and Secrecy Agreements (the "SKF Agreements") with SKF USA, Inc. ("SKF") (collectively, the PMCI and SKF Agreements shall be referred to as the "Agreements"). As will further be set forth in this correspondence, Mr. Remick is (i) not bound by the PMCI Agreement; (ii) not in violation of any non-competition, non-solicitation, or non-recruitment provisions of the PMCI Agreement; and (iii) not in violation of any other duties or obligations due to SKF.

Among other things, based upon the conduct of SKF representatives, the PMCI Agreement is not enforceable against Mr. Remick. Specifically, when Mr. Remick was asked to enter into the SKF Agreement, his supervisor at that time, Jeff Hall, advised him that the SKF Agreement superseded the PMCI Agreement and that the PMCI Agreement was no longer in effect. As I have previously advised, SKF also advised other individuals that the SKF Agreements superseded the PMCI Agreements. We are also aware that there may be internal SKF communications which advise that the PMCI Agreement supersedes the SKF Agreement and further direct SKF Human Resources that new hires should no longer be asked to sign agreements that contain restrictive covenants. In line with this correspondence, we have credible evidence that SKF does not currently require new hires to sign non-competition agreements even though such individuals have access to the same confidential information as those who signed the PMCI Agreements that SKF now wishes to enforce.

Assuming, arguendo, that the PMCI Agreement was not superseded by the SKF Agreement, Mr. Remick still is not bound by the non-competition, non-solicitation, and non-recruitment provisions in the PMCI Agreement because those terms of the PMCI Agreement merged into the SKF Agreement, which does not contain any restrictive covenants. The Agreements contemplate the same subject matter (post-employment obligations regarding confidentiality during and after the term of his employment), but unlike the PMCI Agreement, the SKF Agreement does not

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Mr. Stephen J. Sundheim July 23, 2008 Page 2

contain any restrictive covenants. Because the PMCI Agreement includes restrictive covenants along with the confidentiality provisions, it makes sense that if SKF had intended for Mr. Remick to continue to be bound by the restrictive covenants, it would have included such provisions in the SKF Agreement or, at a minimum, reminded Mr. Remick of his continued obligations under the restrictive covenants at the time they signed the SKF Agreements. No such language appears in the SKF Agreement, and no one at SKF reminded Mr. Remick of those obligations at any time during his SKF employment or upon his resignations from SKF. To be sure, quite the opposite is true. SKF told Mr. Remick that the PMCI Agreement was superseded by the SKF Agreement (which does not contain restrictive covenants) and, consequently, was no longer in effect.

Based on representations made by SKF, when Mr. Remick resigned from SKF, he believed he was bound only by the language of the SKF Agreement. He was, and continues to be, mindful of the terms of the SKF Agreement; he has not and will not divulge any confidential, proprietary, or trade secret information of SKF.

I trust that this letter adequately addresses SKF's concerns regarding Mr. Remick. Please do not hesitate to contact me if you wish to discuss this matter further.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

Megan M. Ruwe

cc: Walter G. Remick, Jr.

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EXHIBIT O



July 30, 2008

Megan M. Ruwe Direct Dial: (612) 604-6711 Direct Fax: (612) 604-6911 mruwe@winthrop.com

VIA FACSIMILE AND U.S. MAIL

Mr. Stephen J. Sundheim Pepper Hamilton LLP 3000 Two Logan Square Philadelphia, Pennsylvania 19103-2799

RE: Joseph J. Sever

Dear Mr. Sundheim:

Winthrop & Weinstine, P.A. represents Joseph J. Sever ("Mr. Sever"). This letter is in response to your letter to Mr. Sever regarding the Agreements with Preventative Maintenance Company, Inc. ("PMCI") (the "PMCI Agreement") and the Employee Invention, Patent and Secrecy Agreements (the "SKF Agreements") with SKF USA, Inc. ("SKF") (collectively, the PMCI and SKF Agreements shall be referred to as the "Agreements"). As will further be set forth in this correspondence, Mr. Sever is (i) not bound by the PMCI Agreement; (ii) not in violation of any non-competition, non-solicitation, or non-recruitment provisions of the PMCI Agreement; and (iii) not in violation of any other duties or obligations due to SKF.

Among other things, based upon the conduct of SKF representatives, the PMCI Agreement is not enforceable against Mr. Sever. Specifically, when Mr. Sever was asked to enter into the SKF Agreement, his supervisor at that time, Jeff Hall, advised him that the SKF Agreement superseded the PMCI Agreement and that the PMCI Agreement was no longer in effect. As I have previously advised, SKF also advised other individuals that the SKF Agreements superseded the PMCI Agreements. We are also aware that there may be internal SKF communications which advise that the PMCI Agreement supersedes the SKF Agreement and further direct SKF Human Resources that new hires should no longer be asked to sign agreements that contain restrictive covenants. In line with this correspondence, we have credible evidence that SKF does not currently require new hires to sign non-competition agreements even though such individuals have access to the same confidential information as those who signed the PMCI Agreements that SKF now wishes to enforce.

Assuming, arguendo, that the PMCI Agreement was not superseded by the SKF Agreement, Mr. Sever still is not bound by the non-competition, non-solicitation, and non-recruitment provisions in the PMCI Agreement because those terms of the PMCI Agreement merged into the SKF Agreement, which does not contain any restrictive covenants. The Agreements contemplate the same subject matter (post-employment obligations regarding confidentiality during and after the term of his employment), but unlike the PMCI Agreement, the SKF Agreement does not contain

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Mr. Stephen J. Sundheim July 30, 2008 Page 2

any restrictive covenants. Because the PMCI Agreement includes restrictive covenants along with the confidentiality provisions, it makes sense that if SKF had intended for Mr. Sever to continue to be bound by the restrictive covenants, it would have included such provisions in the SKF Agreement or, at a minimum, reminded Mr. Sever of his continued obligations under the restrictive covenants at the time they signed the SKF Agreements. No such language appears in the SKF Agreement, and no one at SKF reminded Mr. Sever of those obligations at any time during his SKF employment or upon his resignation from SKF. To be sure, quite the opposite is true. SKF told Mr. Sever that the PMCI Agreement was superseded by the SKF Agreement (which does not contain restrictive covenants) and, consequently, was no longer in effect.

Based on representations made by SKF, when Mr. Sever resigned from SKF, he believed he was bound only by the language of the SKF Agreement. He was, and continues to be, mindful of the terms of the SKF Agreement; he has not and will not divulge any confidential, proprietary, or trade secret information of SKF.

I trust that this letter adequately addresses SKF's concerns regarding Mr. Sever. Please do not hesitate to contact me if you wish to discuss this matter further.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

cc:

Joseph J. Sever

3955031v1

EXHIBIT P

Penner Hamilton LLP

3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, PA 19103-2799 215.981.4000 Fax 215.981.4750

Stephen J. Sundheim direct dial: 215.981.4576 direct fax: 866,738,9612 sundheims@pepperlaw.com

July 16, 2008

Via Facsimile ~ 612.604.6800

Megan M. Ruwe, Esquire Winthrop & Weinstine, P.A. Suite 3500 225 South Sixth Street Minneaplis, MN 55402-4629

Dear Ms. Ruwe:

Thank you for your recent letter regarding Mr. Koch and Mr. Bjerkness. I don't intend to address here what SKF considers to be an incorrect recitation of the facts involving these former employees, except to say that SKF maintains that there exists a valid non-compete and nosolicitation agreement that it will seek to enforce. However, I am informed that Mr. Bjerkness still has SKF property -- among other things, an index card file, business cards relating to SKF customers, outstanding customer proposals, customer drawings, customer files and two vibration poles (serial numbers 511 and 542). Those should be returned immediately without any copies being made or retained.

Also, it has come to our attention, that Mr. Bjerkness currently is contacting SKF customers with whom he knows SKF has contractual relationships and that he therefore may be tortuously interfering with those relationships. If this is the case, we request that you advise him about the impropriety of doing this.

SJS:skr

Philadelphia Boston Washington, D.C. Detroit New York Pittsburgh Berwyn Harrisburg Orange County Princeton Wilmington

EXHIBIT Q



July 24, 2008

Megan M. Ruwe Direct Dial: (612) 604-6711 Direct Fax: (612) 604-6911 ntruwe@winthrop.com

VIA FACSIMILE AND U.S. MAIL

Mr. Stephen J. Sundheim Pepper Hamilton LLP 3000 Two Logan Square Philadelphia, Pennsylvania 19103-2799

RE: Dale Bjerkness and Kevin Koch

Dear Mr. Sundheim:

I am writing in response to your letter to me dated July 16, 2008. Just as you have elected to do, I also will not reiterate our July 10, 2008 letter to you in which we made clear that Messrs. Koch and Bjerkness do not have a valid non-compete or non-solicitation agreement.

With respect to the other statements in your letter I can advise you as follows: Mr. Bjerkness does not have any outstanding customer proposals, customer drawings, customer files or vibration poles. Mr. Bjerkness does have a group of business cards that he has collected over the last twenty years (which far predates his employment with SKF or PMCI) and an index card file, both of which he has not reviewed for a very long time, and that he has not reviewed since leaving SKF. We do not agree that these two items are the property of SKF, or that they contain any information that is confidential or proprietary to SKF. Mr. Bjerkness further advises that there is nothing in either of these items that SKF does not already have in its possession. Nonetheless, to avoid any argument that Mr. Bjerkness is using any information in either of these two items, both the business cards and the index card file are now in my possession.

Finally, Mr. Bjerkness denies that he is engaging in any conduct that would give rise to a claim for tortious interference with contract.

Very truly yours,

MINITINO CON MEDINOTINE, F.A.

Megan Mt Ruwe

Saite 3500 | 225 South Sixth Street | Minneapolis, MN 55402-4629 | Main: (612)604-6400 | Fax: (612)604-6800 | www.winthrop.com | 4 Professional Association